

**YUANTA SECURITIES VIETNAM LIMITED COMPANY**

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



**YUANTA SECURITIES VIETNAM LIMITED COMPANY**

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

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# YUANTA SECURITIES VIETNAM LIMITED COMPANY

## CORPORATE INFORMATION

### Business Registration Certificate

No. 249/GP-UB dated 18 October 1999 issued by Binh Duong Province Department of Planning and Investment. The Business Registration Certificate was amended several times and the latest amendment dated 3 September 2013.

### Establishment and operation licence

No. 04/GPHĐKD dated 8 April 2000 issued by the State Securities Commission. The Establishment and operation licence was amended several times and the latest amendment No.127/GP-UBCK was dated 14 June 2019.

### Council of Members ("COM")

**Yuanta Securities Asia Financial Services Limited** with the following authorized representatives:

Mr. Ooi Thean Yat Ronald Anthony

(Chairman of COM as from 19/7/2019)

Mr. Le Minh Tam

(Resignation of Chairman of COM as from 19/07/2019)

Mr. Le Minh Tam

(Authorized representative as from 19/07/2019)

Mr. Hwang Wei Cherng

(Authorized representative as from 14/06/2019)

Mr. Kuo Feng Hsiang

(Authorized representative as from 14/06/2019)

Mr. Chao Jen Kai

(Authorized representative as from 14/06/2019)

Ms. Chien Wei Ching

(Authorized representative as from 14/06/2019 to 18/07/2019)

**Yuanta Securities (Hong Kong) Company Limited** with the following authorized representatives:

Mr. Wang Yi Min

(Authorized representative as from 19/07/2019)

Mr. Tan Pei San

(Authorized representative as from 14/06/2019)

### Board of Supervision

Mr. Ong Cheow Kheng

Chief Supervisor

Mr. Mac Huu Danh

Member

Mr. Lu Chia Hsiung

Member

### Board of General Directors

Mr. Le Minh Tam

General Director

Mr. Hoang Nguyen Cong Vu

Deputy General Director

Mr. Nguyen Thanh Tung

Deputy General Director

### Legal Representative

Mr. Le Minh Tam

General Director

## **YUANTA SECURITIES VIETNAM LIMITED COMPANY**

### **CORPORATE INFORMATION (continued)**

<b>Head Office</b>	4 <sup>th</sup> Floor, Saigon Centre, 65 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
<b>Cho Lon Branch</b>	521 Hong Bang, Ward 14, District 5, Ho Chi Minh City, Vietnam
<b>Ha Noi Branch</b>	5A <sup>th</sup> Floor, BIDV Building, 194 Tran Quang Khai Street, Hoan Kiem District, Ha Noi City, Vietnam
<b>Binh Duong Branch</b>	3 <sup>rd</sup> Floor, BIDV Building, 441 Binh Duong Avenue, Phu Cuong Ward, Thu Dau Mot City, Binh Duong Province, Vietnam
<b>Dong Nai Branch</b>	Ground floor, Tower B, The Pegasus Building, 53 - 55 Vo Thi Sau Street, Quyet Thang Ward, Bien Hoa City, Dong Nai Province, Vietnam
<b>Da Nang Branch</b>	1 <sup>st</sup> Floor, Hai Van Building, 150 - 156 Nguyen Van Linh Street, Thanh Khe District, Da Nang City, Vietnam
<b>Auditor</b>	PwC (Vietnam) Limited

## YUANTA SECURITIES VIETNAM LIMITED COMPANY

### STATEMENT OF RESPONSIBILITY OF THE BOARD OF GENERAL DIRECTORS IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Board of General Directors of Yuanta Securities Vietnam Limited Company ("the Company") is responsible for preparing the interim financial statements which give a true and fair view of the financial position of the Company as at 30 June 2019 and the results of its operations, cash flows and changes in equity for the six-month period then ended. In preparing these interim financial statements, the Board of General Directors is required to:

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

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

### APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying interim financial statements as set out on pages 6 to 58 which give a true and fair view of the financial position of the Company as at 30 June 2019 and the results of its operations, cash flows and changes in equity for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and prevailing regulations on preparation and presentation of interim financial statements applicable to securities companies operating in Vietnam.

On behalf of the Board of General Directors 



Le Minh Tam  
General Director

Ho Chi Minh City, Vietnam  
12 August 2019



## **REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF MEMBERS OF YUANTA SECURITIES VIETNAM LIMITED COMPANY**

We have reviewed the accompanying interim financial statements of Yuanta Securities Vietnam Limited Company ("the Company") which were prepared on 30 June 2019 and approved by the Board of General Directors on 12 August 2019. The interim financial statements comprise the interim statement of financial position as at 30 June 2019, the interim statement of income, the interim statement of cash flows and the interim statement of changes in equity for the six-month period then ended, and explanatory notes to the interim financial statements including significant accounting policies, as set out on pages 6 to 58.

### **The Board of General Directors' Responsibility**

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

### **Auditor's Responsibility**

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

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



### Conclusion

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

### Other matters

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



Phạm Thái Hưng  
Audit Practising Licence No.  
3444-2017-006-1  
Authorised signatory

Report reference number: HCM8536  
Ho Chi Minh City, 12-08-2019

## INTERIM STATEMENT OF FINANCIAL POSITION

Code	ITEMS	Note	As at	
			30.6.2019 VND	31.12.2018 VND
	<b>ASSETS</b>			
<b>100</b>	<b>CURRENT ASSETS</b>		<b>1,893,476,639,176</b>	<b>1,469,474,111,589</b>
<b>110</b>	<b>Financial assets</b>		<b>1,889,097,533,753</b>	<b>1,463,978,577,882</b>
111	Cash and cash equivalents	3.1	62,701,344,066	123,214,632,924
111.1	Cash		62,701,344,066	113,214,632,924
111.2	Cash equivalents		-	10,000,000,000
112	Financial assets at fair value through profit or loss (FVTPL)	3.2	7,956,062,670	9,969,376,630
113	Held-to-maturity (HTM) investments	3.3	60,000,000,000	80,000,000,000
114	Loans and receivables	3.4	1,740,487,801,546	1,233,737,165,518
117	Receivables	3.5	16,235,660,244	12,745,516,955
117.2	Dividend and interest receivables		16,235,660,244	12,745,516,955
117.3	Due dividend and interest receivables		15,100,591,751	11,415,051,202
117.4	Undue dividend and interest receivables		1,135,068,493	1,330,465,753
118	Prepayments to suppliers	3.6	1,349,760,935	1,354,232,210
119	Service fees receivable		-	3,164,365
122	Other receivables	3.9	5,811,808,853	8,399,445,141
129	Provisions for doubtful debts	3.9	(5,444,904,561)	(5,444,955,861)
<b>130</b>	<b>Other current assets</b>		<b>4,379,105,423</b>	<b>5,495,533,707</b>
131	Advances to employees		496,482,059	359,463,962
133	Short-term prepaid expenses	3.7	2,770,658,263	3,457,092,363
135	Value Added Tax to be reclaimed		84,829,908	114,690,905
136	Tax and other receivables from State budget	3.16(a)	1,027,135,193	1,564,286,477
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>66,520,602,211</b>	<b>56,613,391,801</b>
<b>220</b>	<b>Fixed assets</b>		<b>31,266,728,893</b>	<b>34,382,378,080</b>
221	Tangible fixed assets	3.11(a)	24,274,384,560	27,374,497,613
222	Historical cost		44,665,859,952	44,562,618,952
223a	Accumulated depreciation		(20,391,475,392)	(17,188,121,339)
227	Intangible fixed assets	3.11(b)	6,992,344,333	7,007,880,467
228	Historical cost		17,551,614,571	16,577,718,071
229a	Accumulated amortisation		(10,559,270,238)	(9,569,837,604)
<b>240</b>	<b>Construction in progress</b>	<b>3.12</b>	<b>11,875,318,110</b>	<b>631,008,500</b>
<b>250</b>	<b>Other non-current assets</b>		<b>23,378,555,208</b>	<b>21,600,005,221</b>
251	Long-term security deposits	3.8	4,200,207,987	3,767,258,950
252	Long-term prepaid expenses	3.10	6,511,164,444	7,539,719,366
253	Deferred tax assets	3.18	1,009,797,734	879,232,662
254	Deposits in the Settlement Supporting Fund	3.13	11,657,385,043	9,413,794,243
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,959,997,241,387</b>	<b>1,526,087,503,390</b>

The notes on pages 16 to 58 are an integral part of these interim financial statements.

**YUANTA SECURITIES VIETNAM LIMITED COMPANY**

**Form B01g – CTCK**

**INTERIM STATEMENT OF FINANCIAL POSITION  
(continued)**

Code	ITEMS	Note	As at	
			30.6.2019 VND	31.12.2018 VND
<b>300</b>	<b>LIABILITIES</b>		<b>904,721,537,763</b>	<b>479,855,555,201</b>
<b>310</b>	<b>Current liabilities</b>		<b>902,721,537,763</b>	<b>477,855,555,201</b>
311	Short-term borrowings		869,161,300,000	459,794,300,000
312	Short-term borrowings	3.14	869,161,300,000	459,794,300,000
318	Trading obligations	3.15	1,777,553,213	440,122,902
322	Taxes and other payables to the State budget	3.16(b)	4,106,822,002	1,734,788,585
323	Payables to employees		7,888,484,919	2,302,570,439
324	Bonus and welfare		1,124,351,580	769,425,723
325	Accrued expenses	3.17	17,118,639,725	11,302,483,798
329	Other payables		359,264,132	326,741,562
331	Bonus and welfare funds		1,185,122,192	1,185,122,192
<b>340</b>	<b>Non-current liabilities</b>		<b>2,000,000,000</b>	<b>2,000,000,000</b>
353	Other long-term payable	3.19	2,000,000,000	2,000,000,000
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,055,275,703,624</b>	<b>1,046,231,948,189</b>
<b>410</b>	<b>Owners' equity</b>		<b>1,055,275,703,624</b>	<b>1,046,231,948,189</b>
411	Owners' capital		1,000,924,317,200	1,000,924,317,200
411.1	Share capital	3.20	1,000,000,000,000	1,000,000,000,000
411.2	Share premiums		924,317,200	924,317,200
414	Supplementary capital reserve		12,446,312,303	12,446,312,303
415	Financial risk and operation reserve		11,542,105,956	11,542,105,956
417	Undistributed earnings	3.21	30,362,968,165	21,319,212,730
417.1	Realised profits after tax		33,206,336,003	23,640,320,280
417.2	Unrealised losses after tax		(2,843,367,838)	(2,321,107,550)
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>1,959,997,241,387</b>	<b>1,526,087,503,390</b>



Bui Dinh Vinh  
Preparer/Chief Accountant



Le Minh Tam  
General Director  
12 August 2019

The notes on pages 16 to 58 are an integral part of these interim financial statements.

## OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS

Code	ITEMS	Note	As at	
			30.6.2019 VND	31.12.2018 VND
<b>A</b>	<b>ASSETS OF THE COMPANY AND ASSETS IN TRUST</b>			
005	Cash in foreign currency (USD)		-	-
006	Number of shares in issue (shares)		100,000,000	100,000,000
008	Listed/registered securities (shares)		7,944,140,000	9,575,110,000
009	Securities custodied at VSD but not yet traded (shares)		506,990,000	-
012	Securities not yet custodied at VSD (VND)		60,000	50,000
<b>B</b>	<b>ASSETS OF AND LIABILITIES TO CUSTOMERS (VND)</b>			
021	Listed/registered securities of customers		5,711,774,700,000	4,536,544,780,000
021.1	Trading securities		5,071,204,270,000	4,335,042,560,000
021.3	Mortgaged securities		522,988,300,000	44,669,000,000
021.4	Securities in escrow		56,667,070,000	80,712,020,000
021.5	Securities awaiting settlement		60,915,060,000	76,121,200,000
022	Securities custodied at VSD but not yet traded		29,919,910,000	7,040,220,000
022.1	Securities custodied at VSD but not yet traded – freely traded securities		28,919,910,000	6,040,220,000
022.2	Securities custodied at VSD but not yet traded – blocked securities		1,000,000,000	1,000,000,000
023	Unsettled securities		55,850,910,000	80,952,500,000
026	Customers' deposits		120,846,988,482	102,523,051,658
027	Customers' deposits for securities trading		120,846,988,482	102,523,051,658

The notes on pages 16 to 58 are an integral part of these interim financial statements.

OFF INTERIM STATEMENT OF FINANCIAL POSITION ITEMS  
(continued)

Code	ITEMS	As at	
		30.6.2019 VND	31.12.2018 VND
<b>B</b>	<b>ASSETS OF AND LIABILITIES TO CUSTOMERS (continued)</b>		
031	Payables to customers relating to their deposits at the Company for securities trading	120,846,988,482	102,523,051,658
031.1	<i>Payables to domestic customers relating to their deposits at the Company for securities trading</i>	102,311,310,834	85,299,903,388
031.2	<i>Payables to foreign customers relating to their deposits at the Company for securities trading</i>	18,535,677,648	17,223,148,270
035	Dividend, principal and interest payable	750,155,856	-

  
 Bui Dinh Vinh  
 Preparer/Chief Accountant



  
 Le Minh Tam  
 General Director  
 12 August 2019

## INTERIM STATEMENT OF INCOME

Code	ITEMS	Note	For the six-month period ended 30 June	
			2019 VND	2018 VND
	<b>OPERATING INCOME</b>			
01	Gains from financial assets carried at fair value through profit or loss (FVTPL)		2,248,452,870	12,717,453,511
01.1	<i>Realised gains</i>	4.1(a)	37,021,690	210,935,401
01.2	<i>Unrealised gains from revaluation of FVTPL financial assets</i>	4.1(b)	1,789,485,880	11,005,317,110
01.3	<i>Dividends and interest income from FVTPL financial assets</i>		421,945,300	1,501,201,000
02	Gains from held-to-maturity investments (HTM)		3,036,904,114	760,684,657
03	Gains from loans and receivables		79,064,631,495	21,492,040,359
04	Gains from available-for-sale financial assets (AFS)		-	188,500,000
06	Brokerage fee income		26,295,118,518	14,912,708,345
07	Underwriting income and placing fee income		-	66,754,279
09	Custody service income		1,042,630,575	567,937,121
10	Financial consultancy service income		179,545,455	88,636,364
<b>20</b>	<b>TOTAL OPERATING INCOME</b>		<b>111,867,283,027</b>	<b>50,794,714,636</b>
	<b>OPERATING EXPENSES</b>			
21	Losses from financial assets carried at fair value through profit or loss (FVTPL)		(2,489,294,530)	(9,900,016,341)
21.1	<i>Realised losses</i>	4.1(a)	(46,983,290)	(5,992,138,943)
21.2	<i>Unrealised loss from revaluation of FVTPL financial assets</i>	4.1(b)	(2,442,311,240)	(3,907,877,398)
24	Provisions for financial assets and interest expenses associated with loans	4.2	(20,507,704,723)	(3,669,349,292)
26	Self-trading expenses		-	(6,025,600)
27	Brokerage expenses		(47,053,702,119)	(24,832,345,760)
30	Custody fees		(1,680,270,628)	(851,142,509)
31	Consultancy expenses		(884,356,290)	-
<b>40</b>	<b>TOTAL OPERATING EXPENSES</b>		<b>(72,615,328,290)</b>	<b>(39,258,879,502)</b>
	<b>FINANCIAL INCOME</b>			
41	Realised and unrealised foreign exchange differences		-	2,404,670
42	Dividend income and interest income on demand deposits		593,722,084	586,793,921
<b>50</b>	<b>TOTAL FINANCIAL INCOME</b>		<b>593,722,084</b>	<b>589,198,591</b>

The notes on pages 16 to 58 are an integral part of these interim financial statements.

**INTERIM STATEMENT OF INCOME**  
**(continued)**

Code	ITEMS	Note	For the six-month period ended	
			30 June	
			2019 VND	2018 VND
	<b>FINANCIAL EXPENSES</b>			
41	Realised foreign exchange losses		(20,271,660)	-
60	<b>TOTAL FINANCIAL EXPENSES</b>		<u>(20,271,660)</u>	<u>-</u>
61	<b>SELLING EXPENSES</b>		-	-
62	<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	4.3	(29,167,462,722)	(18,214,036,324)
70	<b>OPERATING RESULT</b>		<u>10,657,942,439</u>	<u>(6,089,002,599)</u>
	<b>OTHER INCOME AND EXPENSES</b>			
71	Other income		1,017,403,458	19,223,655
72	Other expenses		-	(86,787,242)
80	<b>NET OTHER INCOME/(EXPENSE)</b>		<u>1,017,403,458</u>	<u>(67,563,587)</u>
90	<b>NET ACCOUNTING PROFIT/(LOSS) BEFORE TAX</b>		<u>11,675,345,897</u>	<u>(6,156,566,186)</u>
91	Realised profits/(losses)		12,328,171,257	(13,254,005,898)
92	Unrealised (losses)/profits		(652,825,360)	7,097,439,712
100	<b>BUSINESS INCOME TAX</b>		<u>(2,631,590,462)</u>	<u>(223,664,842)</u>
100.1	Business income tax – current	4.4	(2,762,155,534)	-
100.2	Business income tax – deferred	4.4	130,565,072	(223,664,842)
200	<b>NET PROFIT/(LOSS) AFTER TAX</b>		<u>9,043,755,435</u>	<u>(6,380,231,028)</u>

  
 Bui Dinh Vinh  
 Preparer/Chief Accountant

  
 Le Minh Tam  
 General Director  
 12 August 2019

The notes on pages 16 to 58 are an integral part of these interim financial statements.

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

Code	ITEMS	Note	For the six-month period ended	
			30 June	
			2019	2018
			VND	VND
	<b>Cash flows from operating activities</b>			
01	<b>Net profit/(loss) before tax</b>		<b>11,675,345,897</b>	<b>(6,156,566,186)</b>
02	<b>Adjustments for:</b>		<b>1,591,148,422</b>	<b>1,170,288,023</b>
03	Depreciation and amortisation		4,192,786,687	2,386,039,747
04	Provisions		(51,300)	(107,635)
06	Interest expenses		13,624,111,679	3,669,456,927
07	Losses on disposals of fixed assets		-	59,439,407
08	Accrued interests income		(16,235,660,244)	(4,944,540,423)
09	Other adjustments		9,961,600	-
10	<b>Add non-cash expenses</b>		<b>2,442,311,240</b>	<b>3,907,877,398</b>
11	- Revaluation loss of financial assets at fair value through profit or loss (FVTPL)		2,442,311,240	3,907,877,398
18	<b>Less non-cash income</b>		<b>(1,789,485,880)</b>	<b>(11,005,317,110)</b>
19	- Revaluation gain of financial assets at fair value through profit or loss (FVTPL)		(1,789,485,880)	(11,005,317,110)
30	<b>Changes in working capital</b>		<b>(471,478,161,427)</b>	<b>(343,991,218,471)</b>
31	Decrease in FVTPL financial assets		1,360,488,600	20,714,248,142
32	Decrease in HTM financial assets		20,000,000,000	-
33	Increase in loans		(506,750,636,028)	(365,254,804,237)
34	Decrease in AFS financial assets		-	9,425,000,000
35	Decrease in receivables from disposals of financial assets		-	3,800,000,000
36	Increase in interests and dividends receivable		12,745,516,955	-
37	Decrease in service related receivables		3,164,365	1,727,936,728
39	Decrease/(increase) on other receivables		2,587,636,288	(69,998,958)
40	Increase in other assets		(540,106,137)	(1,674,571,250)
41	(Decrease)/increase in accrued expenses (excluding interest expenses)		(3,656,078,815)	2,610,196,042
42	Decrease/(increase) in prepaid expenses		1,714,989,022	(1,653,460,422)
43	Business income tax paid		-	(3,668,954)
44	Interest paid		(4,151,876,937)	-
45	Increase/(decrease) in trade payables		4,471,275	(15,288,822,291)
46	Increase in employee welfare payables		354,925,857	465,456,752
47	Increase in Tax and other payables to the State Budget (excluding business income tax paid)		147,029,167	291,193,626
48	Increase in payable to employees		5,585,914,480	24,330,717
50	Increase in other payables		1,369,952,881	1,659,108,591
52	Other payments from operating activities		(2,243,590,800)	(763,362,957)
60	<b>Net cash outflows for operating activities</b>		<b>(457,558,841,748)</b>	<b>(356,074,936,346)</b>
	<b>Cash flows from investing activities</b>			
61	Purchases of fixed assets		(12,321,447,110)	(6,574,494,031)
62	Proceeds from disposals of fixed assets		-	637,227,273
70	<b>Net cash outflows for investing activities</b>		<b>(12,321,447,110)</b>	<b>(5,937,266,758)</b>

The notes on pages 16 to 58 are an integral part of these interim financial statements.

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

Code	ITEMS	Note	For the six-month period ended	
			30 June	
			2019 VND	2018 VND
	<b>Cash flows from financing activities</b>			
73	Proceeds from borrowings	3.14	1,057,278,500,000	340,840,000,000
74	Repayments of borrowings	3.14	(647,911,500,000)	-
80	<b>Net cash inflows from financing activities</b>		<b>409,367,000,000</b>	<b>340,840,000,000</b>
90	<b>Net decrease in cash and cash equivalents</b>		<b>(60,513,288,858)</b>	<b>(21,172,203,104)</b>
<b>101</b>	<b>Cash and cash equivalents at beginning of period</b>	3.1	<b>123,214,632,924</b>	<b>136,509,746,669</b>
101.1	Cash at beginning of period		113,214,632,924	12,509,746,669
101.2	Cash equivalents at beginning of period		10,000,000,000	124,000,000,000
<b>103</b>	<b>Cash and cash equivalents at end of period</b>	3.1	<b>62,701,344,066</b>	<b>115,337,543,565</b>
103.1	Cash at end of period		62,701,344,066	25,337,543,565
103.2	Cash equivalents at end of period		-	90,000,000,000



Bui Dinh Vinh  
Preparer/Chief Accountant



Le Minh Tam  
General Director  
12 August 2019

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

**CASH FLOWS OF BROKERAGE ACTIVITIES**

Code	ITEMS	For the six-month period ended	
		30 June	
		2019	2018
		VND	VND
	<b>Cash flows of brokerage activities</b>		
01	Trading proceeds	7,933,033,889,840	6,651,121,966,250
02	Trading settlements	(8,714,961,741,550)	(7,279,696,522,798)
07	Receipts for settlement of customers' transactions	8,110,321,856,035	1,709,191,727,010
08	Payments for settlement of customers' transactions	(7,309,749,677,036)	(1,167,943,721,012)
11	Payments of custody fees for customers	(1,071,946,321)	(461,579,094)
14	Receipts from issued organizations	3,446,550,031	457,618,419,247
15	Payments for issued organizations	(2,694,994,175)	(363,079,253,097)
<b>20</b>	<b>Net increase in customers' deposits</b>	<b>18,323,936,824</b>	<b>6,751,036,506</b>
	<b>Customers' deposits at beginning of period</b>		
31	Trading deposits at beginning of period	102,523,051,658	107,626,306,915
32	Customers' deposits for trading securities managed by the Company	102,523,051,658	106,123,371,909
35	Deposits of issued organizations	-	1,502,935,006
<b>40</b>	<b>Customers' deposits at end of period</b>	<b>120,846,988,482</b>	<b>114,377,343,421</b>
41	Trading deposits at end of period	120,846,988,482	114,377,343,421
42	Customers' deposits for trading securities managed by the Company	120,846,988,482	114,301,700,760
45	Deposits of issued organizations	-	75,642,661

  
 Bui Dinh Vinh  
 Preparer/Chief Accountant



  
 Le Minh Tam  
 General Director  
 12 August 2019

The notes on pages 16 to 58 are an integral part of these interim financial statements.

**YUANTA SECURITIES VIETNAM LIMITED COMPANY**

**Form B04g – CTCK**

**INTERIM STATEMENT OF CHANGES IN EQUITY**

	Share capital VND	Supplementary capital reserve VND	Financial provision and operational risk reserve VND	Undistributed earnings VND	Total VND
<b>As at 1 January 2018</b>	<b>300,924,317,200</b>	<b>12,446,312,303</b>	<b>11,542,105,956</b>	<b>21,094,959,415</b>	<b>346,007,694,874</b>
Net profit for the year (adjusted restropectively)	-	-	-	251,901,080	251,901,080
Issues to internal shareholders	700,000,000,000	-	-	-	700,000,000,000
Others	-	-	-	(27,647,765)	(27,647,765)
<b>As at 31 December 2018</b>	<b>1,000,924,317,200</b>	<b>12,446,312,303</b>	<b>11,542,105,956</b>	<b>21,319,212,730</b>	<b>1,046,231,948,189</b>
Net profit for the period	-	-	-	9,043,755,435	9,043,755,435
<b>As at 30 June 2019</b>	<b>1,000,924,317,200</b>	<b>12,446,312,303</b>	<b>11,542,105,956</b>	<b>30,362,968,165</b>	<b>1,055,275,703,624</b>



Bui Dinh Vinh  
Preparer/Chief Accountant



Le Minh Tam  
General Director  
12 August 2019

The notes on pages 16 to 58 are an integral part of these interim financial statement

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

1 GENERAL INFORMATION

***Establishment and listing status***

Yuanta Securities Vietnam Limited Company ("the Company") is a limited liability company incorporated in Vietnam under Business Registration Certificate No.060250 dated 28 December 1999 which was issued by Binh Duong Province Department of Planning and Investment. The Company was established under the Establishment and Operation licence No. 04/GPHĐKD which was issued by State Securities Commission on 8 April 2000 and the latest amendment No. 127/GP-UBCK dated 14 June 2019.

***Head quarter and contact information***

The Company is headquartered at 4th floor of Saigon Centre, 65 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

***Articles of association***

The Company's Articles of association was approved by Annual General Meeting on 18 December 2014 and revised on 9 January 2019.

***Principal activities***

The principal activities of the Company are brokerage services; securities trading; underwriting; custodian services; consultancy services for securities investment and margin lending.

***Capital size***

As at 30 June 2019, the Company's charter capital was VND1,000 billion.

***Investment objectives and investment restrictions***

The investment objectives of the Company are to contribute for the development of the stock market, assist its customers, investors and shareholders in wealth creation.

The Company is compliance with Article 44, Circular 210/2012/TT-BTC dated 30 November 2012 guiding on the establishment and operation of the securities company and Circular 07/2016/TT-BTC dated 18 January 2016, which revises on some articles of Circular 210/2012/TT-BTC.

As at 30 June 2019, the Company had 213 employees (31 December 2018: 171 employees).

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

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

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

**2.2 Form of records applied**

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

**2.3 Fiscal year**

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

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

**2.4 Currency**

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading or designated at initial recognition at fair value through profit or loss.

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

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

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

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

Financial assets at fair value through profit or loss are initially recorded at cost exclusive of transaction costs. Transaction costs related to purchases of FVTPL financial assets are expensed off in the interim statement of income. Financial assets at fair value through profit or loss are subsequently measured at market value or fair value.

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

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

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

Loans are initially recorded at cost inclusive of purchase cost, subsequently measured at amortised cost using effective interest method ("EIR").

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

**(iii) Receivables**

Receivables comprise receivables from disposals of financial assets, dividends and interests receivable, service related receivables, receivables from trading errors and other receivables. Receivables are accounted on an accruals basis at cost less provision (if any).

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(a) Classification (continued)****(iv) Available-for-sale financial assets (AFS)**

Available-for-sale financial assets (AFS) are non-derivatives financial assets that are not classified as FVTPL, HTM nor loans and receivables. Available-for-sale financial assets are initially recorded at cost inclusive of directly attributable purchase cost. At reporting date, AFS financial assets are measured at fair value. Those equities not traded on active market or those whose fair value is not reliably determined are accounted at cost.

All gains or losses from revaluation of AFS financial assets are accounted directly to equity (other comprehensive income), through statement of changes in equity, exclusive of impairment losses. Such recognition is applied until the asset is derecognised.

At derecognition, accumulated gains or losses in equity are recognised in interim statement of income as a reclassification. Gains using effective interest method is recognised in statement of income in accordance with standard on revenue recognition.

Impairment loss of AFS financial asset is recorded directly to previously recognised revaluation gain in equity (if any), when there is objective evidence that the AFS financial asset is impaired, accumulated revaluation loss in equity is reclassified into statement of income despite that asset is yet derecognised.

**(b) Reclassification****(i) Reclassification of non-FVTPL financial assets to be sold**

Non-FVTPL financial assets are reclassified to FVTPL financial assets before they are sold.

**YUANTA SECURITIES VIETNAM LIMITED COMPANY**  
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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.6 Financial assets (continued)**

**(b) Reclassification (continued)**

*(ii) Reclassification due to change in intention/ability to hold the financial assets*

Reclassification of financial assets due to change in intention/ability to hold is permitted, provided that:

- Non-derivative FVTPL financial assets and those not required to be classified into FVTPL group at initial recognition may be reclassified into loans and receivables in limited cases or cash and cash equivalents if they qualify classification conditions.
- Gains and losses from revaluation of FVTPL financial assets before the classification are not reversed.
- If the change in intention/ability to hold the financial assets that results that it becomes inappropriate to classify an asset into HTM group, that asset will be reclassified into AFS group and remeasured at fair value. Difference between its carrying value and its fair value is recognised in the interim statement of income – change in fair value of reclassified assets.

**(c) Recognition/derecognition**

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(d) Initial recognition**

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

Bonus issues and stock dividends are initially recorded as financial assets at zero value.

**(e) Valuation bases**

Financial assets at fair value through profit or loss are subsequently measured at fair value monthly and all gains or losses from change in fair value of FVTPL financial assets are accumulatedly recognised in the interim statement of income.

As at reporting date, these financial assets are provided for diminution in their value. The Company applies valuation bases for financial assets in accordance with Circular 146/2014/TT-BTC dated 6 October 2014 regarding financial regimes for securities companies and fund management companies, both issued by the Ministry of Finance, to make provision for these financial assets, specifically described below:

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

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

(ii) *Unlisted, unregistered for trading equities held in custody at Vietnam Securities Depository (“VSD”)*

The fair values of these equities based on the average of transacted prices announced by the three (03) independent quoting entities at the latest trading date within one (01) month prior to the reporting date. Management and executives of the Company must not be related to management and executives of the quoting entities in accordance with Securities Law.

(iii) *Term deposits*

Term deposits are measured at principal plus accrued interest as of the date prior to the reporting date.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(f) Provisions for loans**

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

**(g) Provision for receivables**

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

The Company has provided for overdue receivables in accordance with the guidance of Circular 89/2013/TT-BTC revising Circular 228/2009/TT-BTC issued by Ministry of Finance on 7 December 2009 (“Circular 228/2009/TT-BTC”). Accordingly, the provision rates for overdue receivables are as follows:

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

Provision/(reversal of provision) of receivables from disposal of financial assets, dividends and interests receivable, service fees receivable are accounted as expenses/other income in the statement of income.

Provision/(reversal of provision) of margin loans and interests on margin loans are accounted as deductions to operating income in the statement of income.

Provision/(reversal of provision) of other receivables are accounted as other expenses/other income in the statement of income.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Financial assets (continued)****(h) Recognition of gain/(loss)***Purchase transaction costs*

Transaction costs related to purchase of FVTPL financial assets are expensed off, while transaction costs related to purchase of AFS financial assets are capitalised.

*Selling transaction costs*

Selling transaction costs are expensed off in the period.

*Gain/(loss) on disposals*

Gain/(loss) on disposals of financial assets are accounted as income/(expenses) in profit or loss of interim statement of income. Cost of disposals is determined using weighted average method up to the end of trading dates for shares.

*Provision/(reversal of provision) for diminution in value of financial assets*

Provision/(reversal of provision) for diminution in value of financial assets is debited/credited to expenses in the interim statement of income.

**2.7 Fixed assets***Tangible and intangible fixed assets*

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

*Depreciation and amortisation*

Fixed assets are depreciated/amortised using the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Buildings	4%
Furniture and fittings	17% - 33%
Motor vehicles	10% - 33%
Office equipment	20% - 33%
Computer software	20%

*Disposals*

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Prepaid expenses**

Prepaid expenses include prepayments for goods and services, tools and equipment not qualified to be accounted as fixed assets under current regulations. Prepaid expenses are initially accounted at cost and allocated to expenses over their estimated useful lives.

**2.9 Security deposits**

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

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

Liabilities are recognised when the Company incurs obligations as a result of receipts of assets, commits or becomes a party to the contractual provisions. Liabilities are derecognised when such obligations are fully discharged. Liabilities are accounted on an accruals basis and on prudent concept.

**(b) Classification**

Classifications of liabilities are based on their nature as follows:

- Borrowings
- Trading obligations including balances with Clearing House and Securities Depository
- Trade payables including liabilities arising from purchases of goods and services
- Other payables not arising from purchases of goods and services

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

**2.11 Offsetting financial instruments and liabilities**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.12 Income tax paid on behalf of customers**

According to the prevailing taxation regulations in Vietnam, the Company is required to withhold foreign contractor tax of 0.1% on trading values of foreign corporate customers and pay on their behalf.

For individual customers (both residents and non-residents), the Company is required to withhold personal income tax of 0.1% on the trading values. The Company will declare and make tax payment on behalf of these customers.

For the customers being local organisations, the Company is not responsible for withholding tax as these customers have responsibility for their own tax payment and declaration.

**2.13 Borrowing costs**

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

**2.14 Accrued expenses**

Accrued expenses include liabilities for goods and services received from vendors in the reporting period but not yet paid due to pending invoice or sufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

**2.15 Provisions**

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

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 Equity****(a) Share capital**

Share capital represents the shareholders' contributed capital. Share capital is recorded as par value.

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

**(b) Financial risk and operation reserve and supplementary capital reserve**

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

Financial and operational risk reserve is made to compensate the residual losses and damages arising in operation beyond the indemnification received from the parties causing damages and insurance companies.

**(c) Undistributed profits**

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

Unrealised profit after tax of the six-month period is total difference between gain or loss arising from revaluation of financial assets at FVTPL or other financial assets charged into the interim statement of income less deferred income tax thereon.

Realised profit after tax of the six-month period is the net difference between total revenue, income and total expenses in the statement of income of the Company, except for gain or loss arising from revaluation of financial assets recognised in unrealised profit less deferred income tax thereon.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.17 Revenue and other income recognition****(a) Revenue on services to investors**

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

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

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

**(b) Income on securities trading and investments in other entities**

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

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

Dividend income is recognised in the interim statement of income when the Company's right to receive dividend is established.

**(c) Income on capital activities**

Income on capital activities consists of interest income from deposits at banks, income from margin loans, trading advances and financial support agreements. Income is recognised on an accruals basis.

**(d) Other income**

Other operating income arises from other activities. Other operating income is recognised on an accruals basis.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Expenses****(a) Recognition**

Expenses are accounted on an accruals basis, prudence concept and matching concept.

**(b) Classification**

Expenses are classified by function as follows:

- Operating expenses
- Financial expenses
- Selling expenses
- General and administrative expenses
- Other expenses

**2.19 Current and deferred income tax**

Income taxes include all income taxes which are based on taxable profits including profits generated from operations and trading activities in other countries that the Vietnam has not signed any double tax relief agreement. Income tax expense comprises current income tax expense and deferred income tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit at the current tax rates. Current and deferred income tax should be recognised as income or an expense and included in profit or loss for the six-month period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Related parties**

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

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

**2.21 Nil balances**

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

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

	<b>As at</b>	
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	-	210,000
Cash at banks for the Company's operation	61,383,021,593	100,804,858,580
Deposits for netting and securities transactions	1,318,322,473	12,409,564,344
Cash equivalent (*)	-	10,000,000,000
	<u>62,701,344,066</u>	<u>123,214,632,924</u>

(\*) These are term deposits with an original maturity of three (3) months or less.

YUANTA SECURITIES VIETNAM LIMITED COMPANY

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

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

As at 30 June 2019

	Cost VND	Valuation		Market value/ fair value VND
		Gain VND	Loss VND	
Listed shares and shares traded on UPCoM	12,027,955,352	3,402,990	(4,075,295,672)	7,956,062,670
Unlisted and unregistered shares	977,095,990	-	(977,095,990)	-
<b>Total</b>	<b>13,005,051,342</b>	<b>3,402,990</b>	<b>(5,052,391,662)</b>	<b>7,956,062,670</b>

As at 31 December 2018

	Cost VND	Valuation		Market value/ fair value VND
		Gain VND	Loss VND	
Listed shares and shares traded on UPCOM	13,387,938,872	538,203,130	(3,956,765,372)	9,969,376,630
Unlisted and unregistered shares	977,601,070	-	(977,601,070)	-
<b>Total</b>	<b>14,365,539,942</b>	<b>538,203,130</b>	<b>(4,934,366,442)</b>	<b>9,969,376,630</b>

YUANTA SECURITIES VIETNAM LIMITED COMPANY

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

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

	As at 30.6.2019		As at 31.12.2018	
	Cost VND	Market value/ fair value VND	Cost VND	Market value/ fair value VND
<b>Listed shares and shares traded on UPCOM</b>	<b>12,027,955,352</b>	<b>7,956,062,670</b>	<b>13,388,392,772</b>	<b>9,969,376,630</b>
Petrovietnam General Services JS Corporation (PET)	6,581,330,570	3,234,439,000	6,581,330,570	3,415,770,000
Becamex Asphalt And Concrete JSC (ACC)	2,814,784,870	2,636,272,400	3,572,906,480	3,665,800,800
Vietnam Electronics and Informatics Joint Stock Corporation (VEC)	1,506,750,000	1,391,950,000	1,506,750,000	717,500,000
Danang Rubber Joint Stock Company (DRC)	253,670	128,800	253,670	150,500
Binh Duong Construction & Civil Engineering JSC (BCE)	116,035	25,040	116,035	22,800
Hoang Anh Gia Lai Joint Stock Company (HAG)	33,903	10,700	33,903	9,760
Others	1,124,686,304	693,236,730	1,727,002,114	2,170,122,770
<b>Unlisted and unregistered shares</b>	<b>977,095,990</b>	-	<b>977,147,170</b>	-
Tribeco Joint Stock Company (TRI)	972,722,380	-	972,722,380	-
Others	4,373,610	-	4,424,790	-
<b>Total</b>	<b>13,005,051,342</b>	<b>7,956,062,670</b>	<b>14,365,539,942</b>	<b>9,969,376,630</b>

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

## 3.3 Held-to-maturity (HTM) investments

	As at 30.6.2019		As at 31.12.2018	
	Cost VND	Book value VND	Cost VND	Book value VND
Bank for Investment and Development of Vietnam (*)	30,000,000,000	30,000,000,000	80,000,000,000	80,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam (*)	30,000,000,000	30,000,000,000	-	-
	<u>60,000,000,000</u>	<u>60,000,000,000</u>	<u>80,000,000,000</u>	<u>80,000,000,000</u>

(\*) These are the term deposits with maturity of one year and the interest rate is from 6.8% to 7.5% per annum.

**3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)****3.4 Loans****(a) Margin lending**

Margin loans represent the amounts lent to customers for their purchases of listed securities in accordance with Decision 87/2018/QD-UBCK issued by the State Securities Commission on 25 January 2018. These amounts are due within 3 months since the date of drawdown and the Company earns interest rates 9.5% - 12% per annual (2018: 9.5% - 12% per annual).

Details of margin lending are as follows:

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Margin loans	1,684,555,397,108	1,206,193,954,021

**(b) Trading advance**

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

Detail of trading advance is as follows:

	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Domestic investors	55,932,404,438	27,543,211,497

**3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)****3.5 Receivables**

	As at 30.6.2019		As at 31.12.2018	
	Book value VND	Doubtful amount VND	Book value VND	Doubtful amount VND
Dividends and interests receivable from financial assets	16,235,660,244	-	12,745,516,955	-

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

**3.6 Prepayment to suppliers**

	As at	
	30.6.2019 VND	31.12.2018 VND
Mr. Ngo Cam Thach	480,000,000	-
Chin Media Company Limited	165,000,000	165,000,000
Toan Thinh Phat Corporation	157,458,510	-
HPT Vietnam Corporation	-	777,967,000
Others	547,302,425	411,265,210
	<u>1,349,760,935</u>	<u>1,354,232,210</u>

**3.7 Short-term prepaid expenses**

	As at	
	30.6.2019 VND	31.12.2018 VND
Tool and supplies	1,333,701,777	1,623,262,504
Repair and maintenance	386,417,308	805,555,789
Others	1,050,539,178	1,028,274,070
	<u>2,770,658,263</u>	<u>3,457,092,363</u>

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

## 3.7 Short-term prepaid expenses (continued)

Movement of short-term prepaid expenses during the period/year were as follow:

	For the six-month period ended 30.6.2019 VND	For the year ended 31.12.2018 VND
Opening balance	3,457,092,363	1,187,652,099
Addition	12,626,378,833	20,178,791,364
Allocation	(13,312,812,933)	(17,909,351,100)
Closing balance	<u>2,770,658,263</u>	<u>3,457,092,363</u>

## 3.8 Long-term security deposit

	As at	
	30.6.2019 VND	31.12.2018 VND
Office rental deposit	4,179,707,987	3,746,758,950
Others	20,500,000	20,500,000
	<u>4,200,207,987</u>	<u>3,767,258,950</u>

## 3.9 Other receivables

	As at 30.6.2019		As at 31.12.2018	
	Book value VND	Doubtful amount VND	Book value VND	Doubtful amount VND
Investment cooperation contracts (*)	5,444,904,561	5,444,904,561	5,444,955,861	5,444,955,861
Others	366,904,292	-	2,954,489,280	-
	<u>5,811,808,853</u>	<u>5,444,904,561</u>	<u>8,399,445,141</u>	<u>5,444,955,861</u>

(\*) These are the short-term lending based on investment cooperation contracts, which are guaranteed by customers' securities portfolio or pledged assets. According to regulations of the State Securities Commission, the Company terminated this activity since 2012.

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

## 3.10 Long-term prepaid expenses

	<b>As at</b>	
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Repair and maintenance	3,647,426,719	4,578,887,725
Tool and supplies	2,696,309,814	2,605,270,522
Others	167,427,911	355,561,119
	<u>6,511,164,444</u>	<u>7,539,719,366</u>

Movement of long-term prepaid expenses during the period/year were as follow:

	<b>For the six-month</b>	<b>For the year</b>
	<b>period ended</b>	<b>ended</b>
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	7,539,719,366	1,650,533,900
Addition	745,822,996	7,980,138,883
Transfers from construction in progress (Note 3.12)	18,280,000	-
Allocation	(1,792,657,918)	(2,090,953,417)
Ending balance	<u>6,511,164,444</u>	<u>7,539,719,366</u>

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

## 3.11 Fixed assets

## (a) Tangible fixed assets

	Building VND	Furniture and fittings VND	Vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>					
As at 1.1.2019	12,133,175,000	24,463,084,472	7,196,790,518	769,568,962	<b>44,562,618,952</b>
New purchases	-	103,241,000	-	-	<b>103,241,000</b>
As at 30.6.2019	<u>12,133,175,000</u>	<u>24,566,325,472</u>	<u>7,196,790,518</u>	<u>769,568,962</u>	<b><u>44,665,859,952</u></b>
<b>Accumulated depreciation</b>					
As at 1.1.2019	5,985,699,715	9,773,274,735	1,187,074,355	242,072,534	<b>17,188,121,339</b>
Charge for the six-month period	242,663,502	2,191,660,999	660,129,462	108,900,090	<b>3,203,354,053</b>
As at 30.6.2019	<u>6,228,363,218</u>	<u>11,964,935,731</u>	<u>1,847,203,819</u>	<u>350,972,624</u>	<b><u>20,391,475,392</u></b>
<b>Net book value</b>					
As at 1.1.2019	<u>6,147,475,285</u>	<u>14,689,809,737</u>	<u>6,009,716,163</u>	<u>527,496,428</u>	<b><u>27,374,497,613</u></b>
As at 30.6.2019	<u>5,904,811,782</u>	<u>12,601,389,741</u>	<u>5,349,586,699</u>	<u>418,596,338</u>	<b><u>24,274,384,560</u></b>

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2019 was VND6,327,952,878 (31 December 2018: VND6,327,952,878).

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

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

## 3.11 Fixed assets (continued)

## (b) Intangible fixed assets

	<b>Computer software VND</b>
<b>Historical cost</b>	
As at 1.1.2019	16,577,718,071
Transfer from construction in progress (Note 3.12)	973,896,500
As at 30.6.2019	<u>17,551,614,571*</u>
<b>Accumulated amortisation</b>	
As at 1.1.2019	9,569,837,604
Charge for the six-month period	989,432,634
As at 30.6.2019	<u>10,559,270,238</u>
<b>Net book value</b>	
As at 1.1.2019	<u>7,007,880,467</u>
As at 30.6.2019	<u><u>6,992,344,333</u></u>

Historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2019 was VND7,385,125,531 (31 December 2018: VND7,241,913,031).

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

## 3.12 Construction in progress

Details of construction in progress by projects are as follows:

	<b>As at</b>	
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Office equipment	6,733,218,200	-
Computer software	3,711,227,550	631,008,500
Furniture and fittings	1,043,435,360	-
Others	387,437,000	-
	<u>11,875,318,110</u>	<u>631,008,500</u>

**3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)****3.12 Construction in progress (continued)**

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

	<b>For the six-month period ended 30.6.2019 VND</b>	<b>For the year ended 31.12.2018 VND</b>
Beginning of period/year	631,008,500	-
Purchase	12,236,486,110	631,008,500
Transfers to fixed assets (Note 3.11(b))	(973,896,500)	-
Transfers to long-term prepaid (Note 3.10)	(18,280,000)	-
End of period/year	<u>11,875,318,110</u>	<u>631,008,500</u>

**3.13 Deposits at the Vietnam Securities Depository**

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

	<b>For the six-month period ended 30.6.2019 VND</b>	<b>For the year ended 31.12.2018 VND</b>
Opening balance	9,413,794,243	8,650,431,286
Additional deposits and interest	2,243,590,800	763,362,957
Closing balance	<u>11,657,385,043</u>	<u>9,413,794,243</u>

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

## 3.14 Short-term borrowings

	As at 1.1.2019 VND	Proceeds VND	Repayments VND	As at 30.6.2019 VND
Yuanta Securities Asia Financial Services (i)	116,600,000,000	832,278,500,000	(452,911,500,000)	495,967,000,000
Chinatrust Commercial Bank (ii)	226,388,300,000	-	-	226,388,300,000
The Shanghai Commercial & Saving Bank (iii)	116,806,000,000	-	-	116,806,000,000
Bank for Investment and Development of Vietnam (iv)	-	135,000,000,000	(135,000,000,000)	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam (v)	-	90,000,000,000	(60,000,000,000)	30,000,000,000
	<u>459,794,300,000</u>	<u>1,057,278,500,000</u>	<u>(647,911,500,000)</u>	<u>869,161,300,000</u>

- (i) These are short-term borrowings in USD from with a credit limit of USD30 million open up to 7 January 2020 and the interest is the monthly floating interest rates of TAIFX rate plus 0.85% or monthly market interest rate.
- (ii) This is a loan with a credit limit of USD9.7 million open up to 3 October 2019 with the interest rate defined in each drawdown
- (iii) This is a loan with a credit limit of USD5 million open up to 30 October 2019 with the marginal interest rate of 1.2% plus LIBOR-6 months.
- (iv) This is an overdraft loan contract with a credit limit of VND27 billion open up to 25 March 2020 with the interest rate of 7.5%.
- (v) This is a loan with a credit limit of VND30 billion open up to 28 September 2019 with the interest rate of 6.8%.

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

## 3.15 Trading obligations

	As at	
	30.6.2019 VND	31.12.2018 VND
Payable to Vietnamese Securities Depository	951,309,350	-
Payable to Ho Chi Minh City Stock Exchange	201,076,928	-
Others	625,166,935	440,122,902
	<u>1,777,553,213</u>	<u>440,122,902</u>

## 3.16 Taxes and other receivables/payables to the State Budget

## (a) Tax receivables from State Budget

	As at	
	30.6.2019 VND	31.12.2018 VND
Corporate income tax – current	<u>1,027,135,193</u>	<u>1,564,286,477</u>

Movements in tax receivables to the State Budget during the six-month period were as follows:

	As at 1.1.2019 VND	Incurred during the period VND	Net-off during the period VND	As at 30.6.2019 VND
Corporate income tax – current	<u>1,564,286,477</u>	<u>-</u>	<u>(537,151,284)</u>	<u>1,027,135,193</u>

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

## 3.16 Taxes and other receivables/ payables to the State Budget (continued)

## (b) Tax payables to State Budget

	As at	
	30.6.2019 VND	31.12.2018 VND
Corporate income tax – current	2,225,004,250	-
Personal income tax – investors	1,158,423,059	1,182,970,865
Personal income tax – employees	717,919,008	520,971,308
Others	5,475,685	30,846,412
	<u>4,106,822,002</u>	<u>1,734,788,585</u>

Movements in tax payables to the State Budget during the six-month period were as follows:

	As at 1.1.2019 VND	Incurred during the period VND	Net-off/paid during the period VND	As at 30.6.2019 VND
Corporate income tax – current	-	2,762,155,534	(537,151,284)	2,225,004,250
Personal income tax – investors	1,182,970,865	6,257,557,126	(6,282,104,932)	1,158,423,059
Personal income tax – employees	520,971,308	5,237,293,397	(5,040,345,697)	717,919,008
Others	30,846,412	797,500,031	(822,870,758)	5,475,685
	<u>1,734,788,585</u>	<u>15,054,506,088</u>	<u>(12,682,472,671)</u>	<u>4,106,822,002</u>

## 3.17 Accrued expenses

	As at	
	30.6.2019 VND	31.12.2018 VND
Interests and swap fees on borrowings	9,472,234,742	3,409,728,959
Bonus and commission	4,153,120,332	5,208,177,033
Promotional and marketing expenses	230,808,788	226,525,691
Others	3,262,475,863	2,458,052,115
	<u>17,118,639,725</u>	<u>11,302,483,798</u>

**3 NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION (continued)****3.18 Deferred income tax**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts were as follows:

	<b>As at</b>	
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Deferred income tax assets	1,009,797,734	879,232,662

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	<b>For the six-month</b>	<b>For the</b>
	<b>period ended</b>	<b>year ended</b>
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	(879,232,662)	1,195,823,100
Income statement credited (Note 4.4)	(130,565,072)	(2,075,055,762)
Closing balance	(1,009,797,734)	(879,232,662)

The Company uses tax rate of 20% in 2019 (2018: 20%) for determining deferred income tax assets and deferred income tax liabilities.

Details of deferred income tax assets are as below:

	<b>As at</b>	
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Taxable temporary differences:		
Revaluation gain of FVTPL financial assets (Note 4.1(b))	5,048,988,672	4,396,163,312
At tax rate of 20%:		
Deferred income tax assets	1,009,797,734	879,232,662

**3.19 Other long-term payables**

This is the compensation accrual for investors' loss in the operation of brokerage.

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

3.20 Share capital

	Charter capital VND	Amount contributed VND
Yuanta Securities Asia Financial Services Limited	852,400,000,000	852,400,000,000
Yuanta Securities (Hong Kong) Company Limited	147,600,000,000	147,600,000,000
	<u>1,000,000,000,000</u>	<u>1,000,000,000,000</u>

Pursuant to the latest Enterprise registration certificate, the charter capital of the Company is VND1,000 billion.

3.21 Undistributed earnings

Detailed movement of undistributed earnings for the six-month period is as follows:

	As at 1.1.2019 VND	Profits for the six-month period VND	As at 30.6.2019 VND
Realised profits after tax	23,640,320,280	9,566,015,723	33,206,336,003
Unrealised profits after tax	(2,321,107,550)	(522,260,288)	(2,843,367,838)
<b>Undistributed earnings</b>	<u>21,319,212,730</u>	<u>9,043,755,435</u>	<u>30,362,968,165</u>

## 4 NOTES TO THE INTERIM STATEMENT OF INCOME

## 4.1 Income from FVTPL financial assets

## (a) Net realised losses on disposals of FVTPL financial assets

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Realised gains on disposals of FVTPL financial assets	37,021,690	210,935,401
Realised losses on disposals of FVTPL financial assets	(46,983,290)	(5,992,138,943)
	<u>(9,961,600)</u>	<u>(5,781,203,542)</u>

Details of net realised losses on disposals of FVTPL financial assets by category are as follows:

	Quantity disposed VND	Sales proceeds VND	Costs of disposals (*) VND	Realised losses in current period VND	Realised losses in comparative period VND
Shares	<u>112,378</u>	<u>1,350,527,000</u>	<u>1,360,488,600</u>	<u>(9,961,600)</u>	<u>(5,781,203,542)</u>

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

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4 NOTES TO THE INTERIM STATEMENT OF INCOME

4.1 Income from FVTPL financial assets

(b) Net unrealised (losses)/gains from revaluation of FVTPL financial assets

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Revaluation gains of FVTPL financial assets	1,789,485,880	11,005,317,110
Revaluation losses of FVTPL financial assets	(2,442,311,240)	(3,907,877,398)
	<u>(652,825,360)</u>	<u>7,097,439,712</u>

Details of losses from revaluation of FVTPL financial assets by category are as follows:

	Cost VND	Market value/ fair value VND	Accumulated revaluation losses as at 30.6.2019 VND	Accumulated revaluation losses as at 31.12.2018 VND	(Charged)/credited to statement of income VND
Listed shares and shares traded on UPCoM	12,027,955,352	7,956,062,670	(4,071,892,682)	(3,419,016,142)	(652,876,540)
Unlisted and unregistered	977,095,990	-	(977,095,990)	(977,147,170)	51,180
	<u>13,005,051,342</u>	<u>7,956,062,670</u>	<u>(5,048,988,672)</u>	<u>(4,396,163,312)</u>	<u>(652,825,360)</u>

(\*) This difference with revaluation losses of FVTPL in the interim statement of income incurred due to the monthly accumulated revaluation accounting policy of the Company at Note 2.6(e).

**4 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)****4.2 Provisions for impairment losses on financial assets and interest expenses associated with loans**

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Interest expenses associated with borrowings	13,624,111,679	2,817,567,749
Swap fee associated with borrowings	6,883,644,344	851,889,178
Reversal of provisions for impairment losses on financial assets	(51,300)	(107,635)
	<u>20,507,704,723</u>	<u>3,669,349,292</u>

**4.3 General and administrative expenses**

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Staff costs	10,958,455,356	5,030,972,361
Outsourcing expenses	8,133,702,217	7,429,658,879
Expenses for Board of Directors	4,154,234,630	2,372,264,100
Depreciation of tangible fixed assets	2,856,550,592	2,219,998,005
Social insurance, health insurance, unemployed insurance and union fee	1,335,031,869	753,871,127
Other expenses	1,729,488,058	407,271,852
	<u>29,167,462,722</u>	<u>18,214,036,324</u>

**4 NOTES TO THE INTERIM STATEMENT OF INCOME (continued)****4.4 Business income tax**

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% (2018: 20%) as follows:

	<b>For the six-month period ended 30 June</b>	
	<b>2019 VND</b>	<b>2018 VND</b>
Accounting profit/(loss) before tax	11,675,345,897	(6,156,566,186)
Tax at rate of 20%	2,335,069,179	(1,231,313,237)
Adjustment:		
Non-taxable income	-	(300,240,200)
Non deductible expenses	296,521,283	90,783,380
Tax losses for which no deferred income tax asset was recognised	-	1,217,105,215
Business income tax charge/(credit) (*)	<u>2,631,590,462</u>	<u>(223,664,842)</u>
Charged/(credit) for the six-month period:		
Business income tax – current	2,762,155,534	-
Business income tax – deferred (Note 3.18)	(130,565,072)	(223,664,842)
	<u>2,631,590,462</u>	<u>(223,664,842)</u>

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

## 5 NOTES TO THE STATEMENT OF CHANGES IN EQUITY

## 5.1 Distributed earnings

	For the six-month period ended 30 June	
	2019 VND	2018 VND
Undistributed earnings brought forward	21,319,212,730	21,094,959,415
Realised profits/(losses) incurred in the six-month period (Note 3.21)	9,043,755,435	(6,380,231,028)
Appropriation to reserves:		
Adjustment	-	(27,647,765)
Distributable profits	<u>30,362,968,165</u>	<u>14,687,080,622</u>
Net amount distributed to shareholders	<u>30,362,968,165</u>	<u>14,687,080,622</u>

## 6 RELATED PARTY DISCLOSURES

Related parties	Relationship
Yuanta Securities Asia Financial Services	Parent company
Yuanta Securities (HongKong)	Fellow group company
Yuanta Securities Limited	Fellow group company
Yuanta Securities (Thailand)	Fellow group company
Yuanta New Asean Balanced Fund	Fellow group company

## (a) Related party transactions

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

	For the six-month period ended 30 June	
	2019 VND	2018 VND
<b>Yuanta Securities (HongKong)</b>		
Buy stock	734,400,000	-
Brokerage fee	1,101,600	-
Custody fee	2,550	-
	<u>736,504,150</u>	<u>-</u>

**6 RELATED PARTY DISCLOSURES (continued)****(a) Related party transactions (continued)**

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

	<b>For the six-month period ended 30 June</b>	
	<b>2019 VND</b>	<b>2018 VND</b>
<b>Yuanta Securities (Thailand)</b>		
Buy stock	259,000,000	-
Sell stock	262,000,000	-
Brokerage fee	781,500	-
Custody fee	2,467	-
	<u>                    </u>	<u>                    </u>
<b>Yuanta Securities Asia Financial Services</b>		
Proceeds from borrowings (Note 3.14)	832,278,500,000	340,840,000,000
Repayments of borrowings (Note 3.14)	452,911,500,000	-
Interest expenses	5,257,962,855	2,817,567,749
Guaranteed fee	517,062,703	-
Custody fee	-	74,742,472
	<u>                    </u>	<u>                    </u>
<b>Yuanta Securities Limited</b>		
Design expenses	-	918,966
	<u>                    </u>	<u>                    </u>
<b>Key management compensation</b>		
Salary and other benefits	4,198,688,630	2,372,264,100
	<u>                    </u>	<u>                    </u>

**(b) Period/year-end balances with related parties**

	<b>As at</b>	
	<b>30.6.2019 VND</b>	<b>31.12.2018 VND</b>
<b>Yuanta Securities Asia Financial Services</b>		
Short-term borrowing (Note 3.14)	495,967,000,000	116,600,000,000
Accrual interest payable	888,260,706	394,027,030
Accrual guaranteed fee payable	517,062,703	221,531,966
Grand opening receivable	-	2,644,201,300
Payable for Director and officer liability insurance	-	14,593,750
	<u>                    </u>	<u>                    </u>

**7 FINANCIAL RISK MANAGEMENT**

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

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

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

The information presented below is based on information received by the Board of General Directors.

**(a) Credit risk**

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

*Balances with banks*

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

*Financial assets at fair value through profit or loss*

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

*Trading advances*

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

**7 FINANCIAL RISK MANAGEMENT (continued)****(a) Credit risk (continued)***Margin loans*

Margin loans are secured by eligible securities listed on Ho Chi Minh City Stock Exchange (“HOSE”) and Hanoi Stock Exchange (“HNX”), customers’ cash and trading proceeds. Under the local rules, the loan limit is set at 30% of the eligible securities’ value. Eligible securities are defined by the Stock Exchanges based on a number of criterion including liquidity and frequently updated.

Customers Securities department has continuous review of margin loan report which includes balances, collateral assets and margin ratio. When the secured margin ratio falls below 30%, the system alerts and the Group makes margin calls. When the secured margin ratio falls below 30%, the Group force sells out collateral assets to collect the loans.

*Receivables and other assets*

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

*Credit risk exposure*

	<b>As at</b>	
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
<b><i>Cash and cash equivalents (Note 3.1)</i></b>		
Current accounts	62,701,344,066	113,214,632,924
Term accounts	-	10,000,000,000
	<b>62,701,344,066</b>	<b>123,214,632,924</b>
<b><i>Loans (Note 3.4)</i></b>		
Margin loans	1,684,555,397,108	1,206,193,954,021
Trading advances	55,932,404,438	27,543,211,497
	<b>1,740,487,801,546</b>	<b>1,233,737,165,518</b>

## 7 FINANCIAL RISK MANAGEMENT (continued)

## (a) Credit risk (continued)

	As at	
	30.6.2019 VND	31.12.2018 VND
<b>Receivables (Note 3.5)</b>		
Dividends and interests receivable	16,235,660,244	12,745,516,955
<b>Other current assets</b>		
Prepayment to suppliers (Note 3.6)	1,349,760,935	1,354,232,210
Other receivables (Note 3.9)	5,811,808,853	8,399,445,141
	<b>7,161,569,788</b>	<b>9,753,677,351</b>
<b>Total credit risk exposure</b>	<b>1,826,586,375,644</b>	<b>1,379,450,992,748</b>

## (b) Market risk

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

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

- Interest rate risk

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

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

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

- Currency risk

Currency risk is the risk that the value of the Company's financial instruments will be affected by changes in exchange rates. The Company is incorporated and operates in Vietnam, with its reporting currency being Vietnamese Dong and its transactional currency being also Vietnamese Dong. Therefore, the Company's currency risk is considered not material because the Company has small amount in United States Dollar at the reporting date ("USD").

- Share price risk

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

As at 30 June 2019 and 31 December 2018, if the prices of the securities had increased/decreased by 10 per cent, the Company's value of financial assets would have been higher/lower by VND795,606,267 and VND996,937,663 respectively.

**(c) Liquidity risk**

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

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

As at 30 June 2019, the Company had financial liabilities comprising short-term borrowings, trade payables, advances from customers, accrued expenses, trading obligations and other payables amounting to VND888,416,757,070 (as at 31 December 2018: VND466,908,448,262) which represented contractual undiscounted cash outflows payable in less than one year.

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

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

CAR is calculated and presented in the Company’s monthly report in accordance with Circular 87/2018/TT-BTC issued by the Ministry of Finance on 15 August 2018 (“Circular 87/2018/TT-BTC”) regulating requirements of capital adequacy ratio applicable to securities business organisations and remedies for non-compliance. According to Circular 87/2018/TT-BTC, the Company is required to maintain a prescribed minimum level of CAR of 180%.

As as 30 June 2019, the Company’s CAR was 1,352%.

**8 OPERATING LEASE COMMITMENTS**

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

	<b>As at</b>	
	<b>30.6.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Within 1 year	16,719,447,182	15,493,443,182
Between 1 and 5 years	43,634,294,817	46,581,008,408
Total minimum payments	<u>60,353,741,999</u>	<u>62,074,451,590</u>

## 9 OPERATIONAL FACTS

## Volume and value of transactions during the six-month period

	Volume of transactions during the six-month period Share	Value of transactions during the six-month period VND
a) Of the Company Shares	121,300	1,367,437,000
b) Of investors Shares	967,920,174	16,812,406,952,190
	<u>968,041,474</u>	<u>16,813,774,389,190</u>

## 10 COMPARATIVE FIGURES

The Company has restated the corresponding figures in the financial statements for the year ended 31 December 2018, the impact of which was as follows:

Code		As at 31 December 2018		
		As previously reported VND	Adjustments VND	Restated VND
	<b>ASSETS</b>			
100	<b>CURRENT ASSETS</b>	<b>1,469,474,111,589</b>	-	<b>1,469,474,111,589</b>
110	<b>Financial assets</b>	<b>1,463,978,577,882</b>	-	<b>1,463,978,577,882</b>
114	Loans and receivables	1,239,182,121,379	(5,444,955,861)	1,233,737,165,518
116	Provisions for impairment loss of financial assets and mortgaged assets	(5,444,955,861)	5,444,955,861	-
122	Other short-term receivables	2,954,489,280	5,444,955,861	8,399,445,141
129	Provisions for doubtful debts	-	(5,444,955,861)	(5,444,955,861)
200	<b>NON-CURRENT ASSETS</b>	<b>55,734,159,139</b>	<b>879,232,662</b>	<b>56,613,391,801</b>
250	<b>Other non-current assets</b>	<b>20,720,772,559</b>	<b>879,232,662</b>	<b>21,600,005,221</b>
253	Deferred tax assets	-	879,232,662	879,232,662
270	<b>TOTAL ASSETS</b>	<b>1,525,208,270,728</b>	<b>879,232,662</b>	<b>1,526,087,503,390</b>

## 10 COMPARATIVE FIGURES (continued)

Code		As at 31 December 2018		
		As previously reported VND	Adjustments VND	Restated VND
	<b>RESOURCES</b>			
<b>300</b>	<b>LIABILITIES</b>	<b>476,895,513,705</b>	<b>2,960,041,496</b>	<b>479,855,555,201</b>
<b>310</b>	<b>Current liabilities</b>	<b>472,900,355,201</b>	<b>4,955,200,000</b>	<b>477,855,555,201</b>
325	Accrued expenses	6,347,283,798	4,955,200,000	11,302,483,798
<b>340</b>	<b>Non-current liabilities</b>	<b>3,995,158,504</b>	<b>(1,995,158,504)</b>	<b>2,000,000,000</b>
356	Deferred income tax liabilities	1,995,158,504	(1,995,158,504)	-
<b>400</b>	<b>OWNERS' EQUITY</b>	<b>1,048,312,757,023</b>	<b>(2,080,808,834)</b>	<b>1,046,231,948,189</b>
<b>410</b>	<b>Owners' equity</b>	<b>1,048,312,757,023</b>	<b>(2,080,808,834)</b>	<b>1,046,231,948,189</b>
417	Undistributed earnings	23,400,021,564	(2,080,808,834)	21,319,212,730
417.1	- Realised profits after tax	28,595,520,280	(4,955,200,000)	23,640,320,280
417.2	- Unrealised losses after tax	(5,195,498,716)	2,874,391,166	(2,321,107,550)
<b>440</b>	<b>TOTAL RESOURCES</b>	<b>1,525,208,270,728</b>	<b>879,232,662</b>	<b>1,526,087,503,390</b>

The interim financial statements were approved by the Board of General Directors for issue on 12 August 2019.

  
 Bui Dinh Vinh  
 Preparer/Chief Accountant

  
 Le Minh Tam  
 General Director