



Phu Hung Securities Corporation
Interim Financial Statements
for the six-month period ended 30 June 2019

Phu Hung Securities Corporation Corporate Information

Establishment and Operation Licence No.	122/GP-UBCK	20 January 2016
	18/GPDC-UBCK	22 June 2016
	23/GPDC-UBCK	25 July 2016
	03/GPDC-UBCK	23 January 2017
	03/GPDC-UBCK	11 January 2018
	100/GPDC-UBCK	29 November 2018
	107/GPDC-UBCK	26 December 2018

The Establishment and Operation Licence and its updates were issued by the State Securities Commission of Vietnam.

Board of Directors	Mr. Albert Kwang-Chin Ting	Chairman
	Mr. Nguyen Doan Hung	Member
	Mr. Wu, Jin-Jeng	Member
	Mr. Chen Chia Ken	Member
	Ms. Liu, Hsiu-Mei	Independent Member (from 17 April 2019)
	Ms. Tsai, Hsiu-Li	Independent Member (until 17 April 2019)

Board of Supervisors	Mr. Liew Sep Siang	Chief Supervisor (from 25 April 2019)
	Ms. Chang, Wen-Ning	Chief Supervisor (until 17 April 2019)
	Mr. Lii, San Rong	Member
	Mr. Chiu, Hsien-Chih	Member
	Mr. Liew Sep Siang	Member (from 17 April 2019 to 25 April 2019)

Board of Management	Mr. Chen Chia Ken	General Director
	Ms. Pham Thi Thu Nhan	Deputy General Director

**Phu Hung Securities Corporation
Corporate Information (continued)**

Registered offices

Head Office	Floor 3, CR3-03A 109 Ton Dat Tien Street Tan Phu Ward, District 7 Ho Chi Minh City Vietnam
Phu My Hung Transaction Office	Ground Floor, CR2-08 107 Ton Dat Tien Street Tan Phu Ward, District 7 Ho Chi Minh City Vietnam
District 3 Branch	Floor 2, Phuong Nam Building 157 Vo Thi Sau Street Ward 6, District 3 Ho Chi Minh City Vietnam
Tan Binh Branch	Ground Floor, G.4A Room, E-Town 2 Building 364 Cong Hoa Street Ward 13, Tan Binh District Ho Chi Minh City Vietnam
Hanoi Branch	Floor 3, Naforimex Building 19 Ba Trieu Street Hoan Kiem District Hanoi City Vietnam
Thanh Xuan Branch	Floor 5, Udic Complex Building, N04 Hoang Dao Thuy Trung Hoa Ward, Cau Giay District Hanoi City Vietnam
Hai Phong Branch	Floor 2, Building 18 Tran Hung Dao Street Hoang Van Thu Ward, Hong Bang District Hai Phong City Vietnam
Auditor	KPMG Limited Vietnam

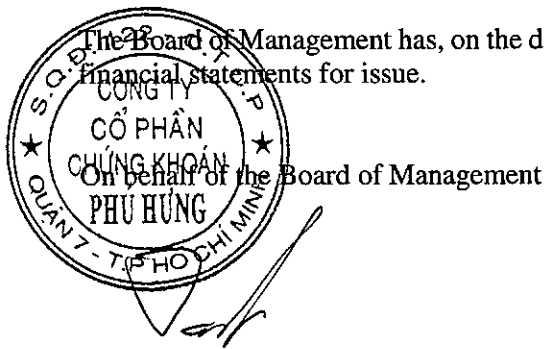
Phu Hung Securities Corporation
Statement of the Board of Management

The Board of Management of Phu Hung Securities Corporation (“the Company”) presents this statement and the accompanying interim financial statements of the Company for the six-month period ended 30 June 2019.

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

- (a) the interim financial statements set out on pages 6 to 57 give a true and fair view of the financial position of the Company as at 30 June 2019, and of the results of operations and the cash flows of the Company for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

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



Mr. Chen Chia Ken
General Director

Ho Chi Minh City, 30 July 2019



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Phu Hung Securities Corporation

We have reviewed the accompanying interim financial statements of Phu Hung Securities Corporation (“the Company”), which comprise the statement of financial position as at 30 June 2019, the statements of income, cash flows and changes in equity for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Management on 30 July 2019, as set out on pages 6 to 57.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

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

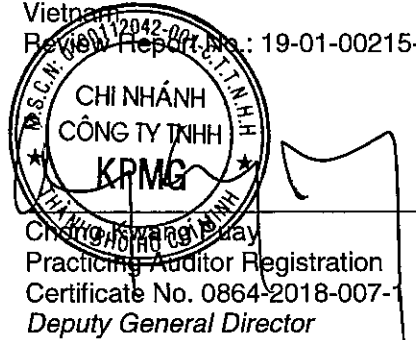


Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the financial position of Phu Hung Securities Corporation as at 30 June 2019 and of its results of operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Review Report No.: 19-01-00215-19-2



Pham Huy Cuong
Practising Auditor Registration
Certificate No. 2675-2019-007-1

Ho Chi Minh City, 30 July 2019

Phu Hung Securities Corporation
Statement of financial position as at 30 June 2019

Form B01a – CTCK
(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	30/6/2019 VND	31/12/2018 VND
ASSETS				
A	100		1,346,828,975,467	1,494,640,327,367
CURRENT ASSETS (100 = 110 + 130)				
I	110		1,344,727,682,791	1,492,906,413,908
Financial assets				
1	111	5	193,060,223,528	188,288,845,466
Cash and cash equivalents				
1.1	111.1		6,060,223,528	2,338,977,154
Cash				
1.2	111.2		187,000,000,000	185,949,868,312
Cash equivalents				
2	112	7(a)	1,881,650,390	2,579,196,590
Financial assets at fair value through profit or loss (“FVTPL”)				
3	113	7(b)	80,000,000,000	80,000,000,000
Held-to-maturity investments				
4	114	7(c)	1,030,797,408,941	1,175,167,952,987
Loans receivable				
6	116	11(a)	(5,750,020,441)	(6,051,639,641)
Allowance for diminution in value of financial assets				
7	117	8	24,764,344,332	32,397,517,351
Receivables				
7.2	117.2		24,764,344,332	32,397,517,351
Dividends and interest receivables from financial assets				
8	118		2,926,982,439	1,151,226,550
Prepayments to suppliers				
9	119	9	13,282,245,727	15,727,015,963
Receivables from services rendered				
12	122	10	12,890,853,848	12,935,988,148
Other receivables				
13	129	11(b)	(9,126,005,973)	(9,289,689,506)
Allowance for doubtful debts				
II	130		2,101,292,676	1,733,913,459
Other current assets				
1	131		173,652,125	330,500,000
Advances				
3	133	12(a)	1,927,640,551	1,403,413,459
Short-term prepaid expenses				
B	200		23,171,656,216	17,775,495,298
LONG-TERM ASSETS (200 = 220 + 250)				
II	220		9,346,051,052	7,368,001,106
Fixed assets				
1	221	13	6,359,329,206	3,878,773,536
Tangible fixed assets				
	222		27,121,117,860	24,008,451,530
Cost				
	223a		(20,761,788,654)	(20,129,677,994)
Accumulated depreciation				
3	227	14	2,986,721,846	3,489,227,570
Intangible fixed assets				
	228		8,161,659,400	8,161,659,400
Cost				
	229a		(5,174,937,554)	(4,672,431,830)
Accumulated depreciation				
V	250		13,825,605,164	10,407,494,192
Other long-term assets				
1	251	15	2,067,790,005	1,888,074,824
Long-term deposits				
2	252	12(b)	4,793,699,091	4,055,303,300
Long-term prepaid expenses				
4	254	16	6,964,116,068	4,464,116,068
Deposits at Payment Support Fund				
TOTAL ASSETS (270 = 100 + 200)			1,370,000,631,683	1,512,415,822,665

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

Phu Hung Securities Corporation
Statement of financial position as at 30 June 2019 (continued)

Form B01a – CTCK
(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

	Code	Note	30/6/2019 VND	31/12/2018 VND
C	LIABILITIES			
	(300 = 310 + 340)		622,930,454,427	766,552,088,099
I	Current liabilities		622,583,935,677	766,187,546,432
1	Short-term borrowings and finance lease liabilities		501,972,450,000	647,666,000,000
1.1	Short-term borrowings	312 17	501,972,450,000	647,666,000,000
6	Accounts payable for securities trading activities		84,216,915,495	102,621,772,169
8	Accounts payable to suppliers		200,793,703	165,722,331
10	Taxes payable to State Treasury		3,304,991,211	1,279,855,304
11	Payables to employees		3,491,000	4,542,000
12	Employees' benefits payable		376,449,323	376,948,073
13	Accrued expenses		9,246,518,736	12,302,295,614
15	Unearned revenue		36,363,636	-
17	Other payables		23,225,962,573	1,770,410,941
II	Long-term liabilities		346,518,750	364,541,667
12	Provisions – long-term		346,518,750	364,541,667
D	EQUITY (400 = 410)		747,070,177,256	745,863,734,566
I	Owners' equity		747,070,177,256	745,863,734,566
1	Contributed capital		699,998,815,000	699,998,815,000
1.1	Share capital		700,000,000,000	700,000,000,000
1.5	Treasury shares		(1,185,000)	(1,185,000)
7	Retained profits		47,071,362,256	45,864,919,566
7.1	Realised profits		47,126,800,019	49,156,785,709
7.2	Unrealised losses		(55,437,763)	(3,291,866,143)
	TOTAL LIABILITIES AND EQUITY (440 = 300 + 400)		1,370,000,631,683	1,512,415,822,665

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

Phu Hung Securities Corporation
Statement of financial position as at 30 June 2019 (continued)

Form B01a – CTCK
(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)

OFF-BALANCE SHEET ITEMS

	Code	30/6/2019 VND	31/12/2018 VND	
A. THE COMPANY'S ASSETS				
6	Shares in circulation (number of securities)	006	69,999,510	69,999,510
7	Treasury shares (number of securities)	007	490	490
8	The Company's own listed/registered financial assets at VSD	008	461,490,000	222,590,000
9	The Company's own financial assets custodied at VSD but not yet traded	009	7,560,000	8,770,000
10	The Company's financial assets in transit	010	-	380,000,000
13	The Company's right to receive financial assets	013	22,250,000	130,000
B. ASSETS AND PAYABLES RELATING TO ASSETS MANAGED BY THE COMPANY				
1	Investors'/customers' listed/registered financial assets at VSD	021	3,987,110,220,000	3,984,269,800,000
a	<i>Freely traded financial assets</i>	021.1	3,871,671,630,000	3,671,652,630,000
b	<i>Financial assets restricted on transfer</i>	021.2	12,777,000,000	206,687,280,000
c	<i>Pledged financial assets</i>	021.3	59,866,560,000	59,866,560,000
d	<i>Blocked financial assets</i>	021.4	70,000	70,000
e	<i>Financial assets awaiting for settlement</i>	021.5	42,794,960,000	46,063,260,000
2	Investors'/customers' financial assets custodied at VSD but not yet traded	022	356,633,240,000	291,292,200,000
a	<i>Freely traded financial assets at VSD but not yet traded</i>	022.1	248,348,240,000	193,797,200,000
b	<i>Custodied financial assets at VSD but not yet traded and restricted on transfer</i>	022.2	108,285,000,000	97,495,000,000
3	Investors'/customers' financial assets in transit	023	47,602,084,000	45,946,400,000
6	Investors'/customers' rights to receive financial assets	025	10,285,540,000	61,836,170,000
7	Customers' deposits	026	81,706,618,894	52,098,812,046
7.1	Customers' cash deposits for securities transactions managed by the Company	027	81,706,618,894	52,098,812,046

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

Phu Hung Securities Corporation
Statement of financial position as at 30 June 2019 (continued)

Form B01a – CTCK
(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)

	Code	30/6/2019 VND	31/12/2018 VND
8 Payables to customers for cash deposits managed by the Company for securities transactions	031	81,706,618,894	52,098,812,046
8.1 Payables to domestic customers for cash deposits managed by the Company for securities transactions	031.1	76,321,150,588	46,829,340,445
8.2 Payables to foreign customers for cash deposits managed by the Company for securities transactions	031.2	5,385,468,306	5,269,471,601

30 July 2019

Prepared by:

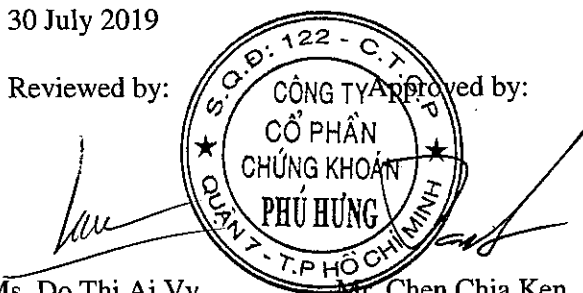


Ms. Nguyen Thi An Vi
Deputy Accounting Manager

Reviewed by:



Ms. Do Thi Ai Vy
Chief Accountant



Approved by:

Mr. Chen Chia Ken
General Director

Phu Hung Securities Corporation

Statement of income for the six-month period ended 30 June 2019 (continued)

Form B02a – CTCK

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

	Code	Note	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
III FINANCIAL INCOME				
3.1 Realised and unrealised foreign exchange gains	41		3,167,173,883	142,533,503
3.2 Dividends and interest income from bank deposits	42		126,379,559	361,116,636
Total financial income	50		3,293,553,442	503,650,139
IV FINANCIAL EXPENSES				
4.1 Realised and unrealised foreign exchange losses	51		5,668,179,059	3,637,690,297
4.2 Interest expense	52	24	13,971,942,538	12,142,014,667
Total financial expenses	60		19,640,121,597	15,779,704,964
VI GENERAL AND ADMINISTRATION EXPENSES	62	25	18,380,998,886	15,954,743,503
VII RESULTS FROM OPERATING ACTIVITIES (70 = 20 + 50 – 40 – 60 – 62)	70		28,657,359,299	18,166,678,989
VIII OTHER INCOME AND OTHER EXPENSES				
8.1 Other income	71		11,102,818	3,909,954
Results from other activities (80 = 71)	80		11,102,818	3,909,954
IX ACCOUNTING PROFIT BEFORE TAX (90 = 70 + 80)	90		28,668,462,117	18,170,588,943
9.1 Realised profit before tax	91		25,432,033,737	20,976,392,665
9.2 Unrealised profit/(loss) before tax	92		3,236,428,380	(2,805,803,722)

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

Phu Hung Securities Corporation

Statement of income for the six-month period ended 30 June 2019 (continued)

Form B02a – CTCK

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

	Code	Note	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
X			100	
10.1		Income tax expense - current	100.1 26 4,362,181,127	-
10.2		Income tax expense - deferred	100.2 26 -	-
XI		NET PROFIT AFTER TAX (200 = 90 - 100)	200 24,306,280,990	18,170,588,943
XII		OTHER COMPREHENSIVE INCOME	300 -	-
		TOTAL COMPREHENSIVE INCOME (400 = 200 + 300)	400 24,306,280,990	18,170,588,943
XIII		EARNINGS PER SHARE	500	
13.1		Basic earnings per share	501 27 347	363

Prepared by:



Ms. Nguyen Thi An Vi
Deputy Accounting Manager

30 July 2019

Reviewed by:



Ms. Do Thi Ai Vy
Chief Accountant



Approved by:



Mr. Chen Chia Ken
General Director

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

Phu Hung Securities Corporation
Statement of cash flows for the six-month period ended 30 June 2019
(Indirect method)

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

	Code	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
I CASH FLOWS FROM OPERATING ACTIVITIES			
1 Profit before tax	01	28,668,462,117	18,170,588,943
2 Adjustments for	02	19,162,225,678	13,881,147,701
Depreciation of fixed assets	03	1,173,062,854	945,456,662
Allowances and provisions	04	(465,302,733)	941,939,876
Unrealised foreign exchange (gains)/losses	05	(3,150,650,000)	2,530,100,000
Interest expense	06	13,971,942,538	12,142,014,667
Accrued interest income	08	7,633,173,019	(2,678,363,504)
3 Non-monetary expenses	10	(36,134,345)	191,886,049
Losses from revaluation of financial assets at FVTPL	11	(36,134,345)	191,886,049
4 Non-monetary income	18	(49,644,035)	83,817,673
Gains from revaluation of financial assets at FVTPL	19	(49,644,035)	83,817,673
5 Operating profit before changes in working capital (30 = 01 + 02 + 10 + 18)	30	47,744,909,415	32,327,440,366
Decrease in financial assets at FVTPL	31	783,324,580	2,250,816,598
Decrease/(increase) in loans receivable	33	144,370,544,046	(52,853,646,991)
Decrease in receivables from services rendered	37	2,444,770,236	25,228,639,603
Decrease/(increase) in other receivables	39	45,134,300	(2,650,524)
Increase in other assets	40	(2,522,867,306)	(2,535,594,830)
Decrease in accrued expenses	41	(3,039,567,572)	(1,865,216,034)
(Increase)/decrease in prepaid expenses	42	(1,262,622,883)	8,442,482
Corporate income tax paid	43	(2,101,135,827)	-
Interest paid	44	(13,988,151,844)	(12,548,187,779)
Decrease in accounts payable	45	(1,740,684,517)	(684,560,679)
Decrease in employees' benefits payables	46	(498,750)	(887,200)
Decrease in taxes payable to State Treasury	47	(235,909,393)	(138,139,887)
(Decrease)/increase in payables to employees	48	(1,051,000)	2,290,000
Decrease in other payables	50	(20,030,802,623)	(6,230,650,611)
Net cash flows from operating activities	60	150,465,390,862	(17,041,905,486)

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

Phu Hung Securities Corporation
Statement of cash flows for the six-month period ended 30 June 2019
(Indirect method - continued)

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

	Code	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
II CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets	61	(3,151,112,800)	(1,871,218,800)
Net cash flows from investing activities	70	(3,151,112,800)	(1,871,218,800)
III CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	73	1,932,809,812,964	2,141,941,768,812
Payments to settle borrowing principals	74	(2,075,352,712,964)	(2,324,785,280,030)
Net cash flows from financing activities	80	(142,542,900,000)	(182,843,511,218)
Net cash flows during the period	90	4,771,378,062	(201,756,635,504)
Cash and cash equivalents at the beginning of the period	101	188,288,845,466	301,221,015,331
Cash and cash equivalents at the end of the period (Note 5)	103	193,060,223,528	99,464,379,827
▪ <i>Cash</i>	<i>103.1</i>	<i>6,060,223,528</i>	<i>389,585,306</i>
▪ <i>Cash equivalents</i>	<i>103.2</i>	<i>187,000,000,000</i>	<i>99,074,794,521</i>

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

Phu Hung Securities Corporation
Statement of cash flows for the six-month period ended 30 June 2019
(Indirect method - continued)

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

CASH FLOWS OF CUSTOMERS FOR BROKERAGE AND ENTRUSTMENT ACTIVITIES

	Code	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Cash flows of customers for brokerage and entrustment activities			
Proceeds from sales of securities brokered by the Company	01	6,853,373,850,017	7,429,029,444,415
Payments for purchases of securities brokered by the Company	02	(6,689,893,334,200)	(7,789,124,692,900)
Deposits received to settle securities transactions of customers	07	9,679,300,398,910	11,027,467,379,311
Payments to settle securities transactions of customers	08	(9,812,667,033,929)	(10,862,188,118,952)
Payments for custody fee of customers' securities	11	(506,073,950)	(369,282,644)
Net cash flows during the period	20	29,607,806,848	(195,185,270,770)
Cash and cash equivalents of customers at the beginning of the period	30	52,098,812,046	276,481,747,714
Cash and cash equivalents of customers at the end of the period (40 = 20 + 30)	40	81,706,618,894	81,296,476,944
Cash in banks at the end of the period	41	81,706,618,894	81,296,476,944
▪ Cash deposits managed by the Company for securities transactions of customers	42	81,706,618,894	81,296,476,944

30 July 2019

Prepared by:



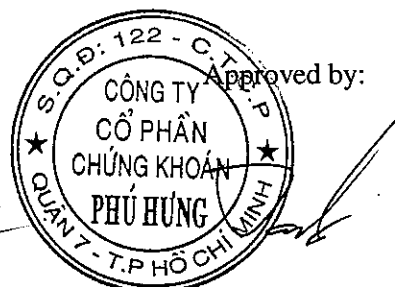
Ms. Nguyen Thi An Vi
Deputy Accounting Manager

Reviewed by:



Ms. Do Thi Ai Vy
Chief Accountant

Approved by:



Mr. Chen Chia Ken
General Director

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

Phu Hung Securities Corporation
Statement of changes in equity for the six-month period ended 30 June 2019

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

	Opening balance as at		Movements during the six-month period ended				Closing balance as at	
	1/1/2018	1/1/2019	30/6/2018		30/6/2019		30/6/2018	30/6/2019
	VND	VND	Increase VND	(Decrease) VND	Increase VND	(Decrease) VND	VND	VND
Share capital	320,000,000,000	700,000,000,000	180,000,000,000	-	-	-	500,000,000,000	700,000,000,000
Other capital	180,000,000,000	-	-	(180,000,000,000)	-	-	-	-
Treasury shares	(1,185,000)	(1,185,000)	-	-	-	-	(1,185,000)	(1,185,000)
Retained profits	8,414,936,436	45,864,919,566	20,976,392,665	(2,805,803,722)	24,306,280,990	(23,099,838,300)	26,585,525,379	47,071,362,256
<i>Realised</i>								
<i>profits/(losses)</i>	8,413,173,967	49,156,785,709	20,976,392,665	-	21,069,852,610	(23,099,838,300)	29,389,566,632	47,126,800,019
<i>Unrealised</i>								
<i>profits/(losses)</i>	1,762,469	(3,291,866,143)	-	(2,805,803,722)	3,236,428,380	-	(2,804,041,253)	(55,437,763)
Total	508,413,751,436	745,863,734,566	200,976,392,665	(182,805,803,722)	24,306,280,990	(23,099,838,300)	526,584,340,379	747,070,177,256

30 July 2019

Prepared by:

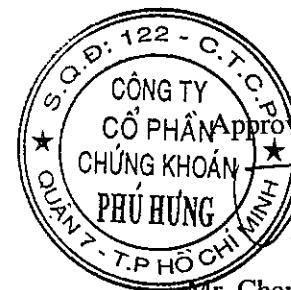


Ms. Nguyen Thi An Vi
Deputy Accounting Manager

Reviewed by:

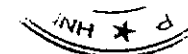


Ms. Do Thi Ai Vy
Chief Accountant



Approved by:

Mr. Chen Chia Ken
General Director



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

Phu Hung Securities Corporation
Notes to the interim financial statements for the six-month period ended 30 June 2019

Form B09a – CTCK
*(Issued under Circular No. 334/2016/TT-BTC
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These notes form an integral part of and should be read in conjunction with the accompanying interim financial statements.

1. Reporting entity

(a) Establishment

Phu Hung Securities Corporation (“the Company”) is a joint stock company established in Vietnam under Establishment and Operation Licence No. 122/GP-UBCK dated 20 January 2016 issued by the State Securities Commission of Vietnam.

The Company was established on the basis of combining Phu Hung Securities Corporation (“PHS”) – established under Establishment and Operation Licence No. 23/UBCK-GPHDKD dated 1 December 2006 and An Thanh Securities Joint Stock Company (“ATS”). Accordingly, the Company took over all of the assets, liabilities, rights and obligations of PHS and ATS as at 19 January 2016 and PHS and ATS ceased their operations from 20 January 2016. Assets and liabilities of PHS and ATS as at 19 January 2016 were transferred to the Company at book value and the net asset (total assets – total liabilities) of PHS and ATS as at 30 September 2015 formed the share capital of the Company.

(b) The Company’ charter capital

As at 30 June 2019, the Company’s charter capital was VND700,000,000,000 (31/12/2018: VND700,000,000,000).

(c) Principal activities

The principal activities of the Company are to carry out securities brokerage, securities trading, securities investment advisory, securities custody and securities underwriting.

(d) Normal operating cycle

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

(e) Company structure

As at 30 June 2019, the Company had 209 employees (31/12/2018: 213 employees).

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2. Basis of preparation

(a) Statement of compliance

The interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 210/2014/TT-BTC dated 30 December 2014 (“Circular 210”) issued by the Ministry of Finance on the promulgation of accounting guidance for securities companies and Circular No. 334/2016/TT-BTC dated 27 December 2016 (“Circular 334”) issued by the Ministry of Finance amending, supplementing and superseding Appendix 02 and Appendix 04 of Circular 210 and the relevant statutory requirements applicable to interim financial reporting.

(b) Basis of measurement

The interim financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept except financial assets at fair value through profit and loss as described in Note 3(d). The statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December. These interim financial statements are for the six-month period ended 30 June 2019.

(d) Accounting and presentation currency

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

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these interim financial statements.

The accounting policies that have been adopted by the Company in the preparation of these interim financial statements are consistent with those adopted in the preparation of the latest annual financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer selling rates at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts transactions at the end of the accounting period.

All foreign exchange differences are recorded in the statement of income.

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Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

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(b) Cash and cash equivalents

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

Cash equivalents are short-term investments with term to maturity of not more than 3 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 the reporting date.

(c) Financial assets and financial liabilities

(i) Recognition

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

(ii) Classification and measurement

- Financial assets at fair value through profit or loss ("FVTPL"): see Note 3(d);
- Held-to-maturity investments: see Note 3(e);
- Loans receivable: see Note 3(f);

The Company classifies all of its financial liabilities as financial liabilities at amortised cost.

(iii) Derecognition

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

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(iv) Offsetting

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

Phu Hung Securities Corporation

**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)**

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(d) Financial assets at FVTPL

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

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

Financial assets at FVTPL are initially recognised at cost which includes the purchase price. Subsequent to initial recognition they are measured at market price or fair value (when market price is not available) with changes in market price or fair value being recognised in profit or loss in the statement of income.

For listed securities, the market prices are the closing prices of securities from the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange at the latest trading date prior to the reporting date.

For securities registered for trading in Unlisted Public Company Market (“UPCOM”), the market prices are the closing prices of securities from UPCOM at the latest trading date prior to the reporting date.

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

For delisted securities and securities for which trading has been suspended or cancelled from the sixth day onward, the fair value is the book value at the latest balance sheet date.

Investments in equity instruments including derivative instruments to be settled by equity instruments are stated at cost if there are no market prices and their fair values cannot be determined reliably.

(e) Held-to-maturity investments

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

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

Held-to-maturity investments comprise term deposits at banks and these investments are stated at cost less allowance for doubtful debts.

Phu Hung Securities Corporation
Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

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(f) Loans receivable

Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans receivable comprise margin loans and advances to customers for the proceeds from selling securities and these loans receivable are stated at cost less allowance for doubtful debts. Allowance for doubtful debts is based on the difference between the market price or fair value of the collateral and the carrying amount of underlying loan.

(g) Accounts receivable

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

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

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

<i>Overdue status</i>	<i>Allowance rate</i>
From six (06) months to less than one (01) year	30%
From one (01) year to less than two (02) years	50%
From two (02) years to less than three (03) years	70%
From three (03) years and over	100%

For overdue debts, the Company's 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 Company's Management after giving consideration to the recovery of these debts.

(h) Tangible fixed assets

(i) Cost

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

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(continued)

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(ii) Depreciation

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

▪ leasehold improvements	5 years
▪ office equipment	3 - 7 years
▪ motor vehicles	3 years

(i) Intangible fixed assets

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 to 7 years.

(j) Long-term prepaid expenses

Long-term prepaid expenses comprise of tools and instruments which include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(k) Trade and other payables

Trade and other payables are stated at their cost.

(l) Provisions

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

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by PHS, ATS and the Company are excluded.

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Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

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(m) Taxation

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

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

Deferred tax is provided 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 amount of assets and liabilities using 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 differences asset 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.

(n) Share capital

(i) Ordinary shares

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

(ii) 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.

(o) Statutory reserves

According to Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance, the Company is required to make the following allocations from realised profit to statutory reserves:

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

The reserve to supplement share capital and financial reserve are non-distributable and are classified as part of equity.

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Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

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(p) Revenue

(i) *Gains from sales of financial assets*

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

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

Dividend income is recognised in the statement of income when the Company’s right to receive dividends is established. Share dividends are not recognised as income.

Interest income is recognised in the statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate. Interest income also includes amortisation of discounts, premiums, interest received in advance or differences between the value at initial recognition and par value at maturity date.

(iii) *Revenue from securities brokerage*

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

(iv) *Revenue from securities investment and financial advisory*

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

(v) *Revenue from securities custody*

Revenue from securities custody activities is recognised in the statement of income when the service is rendered.

(q) Interest expense

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

(r) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

Phu Hung Securities Corporation

**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)**

Form B09a – CTCK

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(s) Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

(t) Segment reporting

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

(u) Related parties

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

(v) Nil balances

Items or balances required by Circular 334 issued by the Ministry of Finance that are not shown in these interim financial statements indicate nil balances.

Phu Hung Securities Corporation
Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

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4. Financial instruments

(a) Financial risk management

(i) Overview

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

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

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

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

(ii) Risk management framework

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

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

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

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(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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

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

Collaterals

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. The main types of collateral obtained are listed securities and cash deposited at the Company. Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for doubtful debts.

Exposure to credit risk

Not considering collaterals, the Company's maximum exposure to credit risk at the reporting date was as follows:

	30/6/2019	31/12/2018
	VND	VND
Cash in banks and cash equivalents (i)	193,053,463,273	188,285,392,211
Held-to-maturity investments – short-term (i)	80,000,000,000	80,000,000,000
Loans receivable – gross (ii)	1,030,797,408,941	1,175,167,952,987
Receivables (ii)	24,764,344,332	32,397,517,351
Prepayments to suppliers (ii)	2,926,982,439	1,151,226,550
Receivables from services rendered (ii)	13,282,245,727	15,727,015,963
Other receivables (ii)	12,890,853,848	12,935,988,148
Long-term deposits	2,067,790,005	1,888,074,824
Deposits at Payment Support Fund	6,964,116,068	4,464,116,068
	<hr/>	<hr/>
	1,366,747,204,633	1,512,017,284,102
	<hr/>	<hr/>

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Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

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

Cash in banks, cash equivalents and held-to-maturity investments of the Company are mainly held with well-known financial institutions. Management does not foresee any significant credit risk from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

(ii) Loans receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In response to the risk, the Board of Management of the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and disbursement terms and conditions are offered. Credit limit is established for each customer, which represents the maximum open amount. The limit is reviewed annually. Debtors with balances that are overdue are requested to settle the balances before further credit is granted. The management requires collateral based on an assessment of the credit risk of each customer. The main types of collateral obtained are cash deposits and securities. The management of the Company monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for doubtful debts.

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

An aging analysis of impaired financial assets is as follows:

	30/6/2019	31/12/2018
	VND	VND
Receivables being overdue of more than 3 years	12,128,578,782	12,678,579,927
Margin loans being overdue of more than 6 months	7,077,460,441	11,479,107,741
	<hr/>	<hr/>
	19,206,039,223	24,157,687,668
	<hr/>	<hr/>

Fair value of collaterals for impaired financial assets are as follows:

	30/6/2019	31/12/2018
	VND	VND
Cash deposited at the Company	148,062	45,914,455
Listed securities on	1,692,608,000	6,349,815,090
▪ <i>The Ho Chi Minh City Stock Exchange</i>	3,283,370	1,994,823,990
▪ <i>The Hanoi Stock Exchange</i>	1,327,440,000	4,091,674,900
▪ <i>UPCOM</i>	365,168,000	263,316,200
Unlisted shares	2,633,973,377	3,224,328,293
	<hr/>	<hr/>
	4,330,012,809	9,620,057,838
	<hr/>	<hr/>

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019**

(continued)

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

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

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

As at 30 June 2019	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND
Short-term borrowings	501,972,450,000	510,506,641,641	510,506,641,641	-
Accounts payable for securities trading activities	84,216,915,495	84,216,915,495	84,216,915,495	-
Accounts payable to suppliers	200,793,703	200,793,703	200,793,703	-
Accrued expenses	9,246,518,736	9,246,518,736	9,246,518,736	-
Other payables	23,225,962,573	23,225,962,573	23,225,962,573	-
	618,862,640,507	627,396,832,148	627,396,832,148	-
As at 31 December 2018	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	1 – 2 years VND
Short-term borrowings	647,666,000,000	658,311,564,432	658,311,564,432	-
Accounts payable for securities trading activities	102,621,772,169	102,621,772,169	102,621,772,169	-
Accounts payable to suppliers	165,722,331	165,722,331	165,722,331	-
Accrued expenses	12,302,295,614	12,302,295,614	12,302,295,614	-
Other payables	1,770,410,941	1,770,410,941	1,770,410,941	-
	764,526,201,055	775,171,765,487	775,171,765,487	-

The Company manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in cash equivalents and short-term deposits at banks.

Phu Hung Securities Corporation
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(continued)

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(d) Market risk

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

(i) 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.

The Company is exposed to currency risk on borrowings that are denominated in a currency other than the accounting currency of the Company, which is VND. The currency in which these transactions primarily are denominated is United States Dollars (“USD”).

Exposure to currency risk

The Company had the following net monetary liability position exposed to currency risk:

	30/6/2019		31/12/2018	
	USD	VND equivalent	USD	VND equivalent
Short-term borrowings	19,130,000	446,972,450,000	19,650,000	456,666,000,000

The followings are the significant exchange rate applied by the Company:

	Exchange rate as at	
	30/6/2019	31/12/2018
USD/VND	23,365	23,240

Below is an analysis of the possible impact on the net profit of the Company, after taking into account the current level of exchange rates and the historical volatility as well as market expectations at the reporting date. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect to net profit VND
As at 30 June 2019	
USD (1% strengthening against VND) – decrease in net profit	(3,575,779,600)
As at 31 December 2018	
USD (2% strengthening against VND) – decrease in net profit	(7,306,656,000)

The opposite movement of the exchange rate of USD/VND would have the equal but opposite effect to the net profit of the Company.

Phu Hung Securities Corporation
Notes to the interim financial statements for the six-month period ended 30 June 2019
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(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Carrying amount	
	30/6/2019 VND	31/12/2018 VND
Fixed rate instruments		
Cash and cash equivalents	193,053,463,273	188,285,392,211
Held-to-maturity investments	80,000,000,000	80,000,000,000
Loans receivable - net	1,025,047,388,500	1,169,116,313,346
Deposits at Payment Support Fund	6,964,116,068	4,464,116,068
Short-term borrowings	(501,972,450,000)	(647,666,000,000)

(iii) Other market risk

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

The Company's financial assets at fair value through profit or loss are affected by market risk arising from the uncertainty of the fluctuation of the future market price of these securities. The Company's equity price risk is managed by the management who seeks to monitor the risk through a careful selection of securities within specified limits.

As at 30 June 2019 and 31 December 2018, the Company's exposure to equity price risk is minimal because the Company held insignificant portfolio of financial assets at fair value through profit or loss.

Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019 (continued)

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(e) Fair value

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position were as follows:

	30/6/2019		31/12/2018	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<i>Categorised as financial assets at fair value through profit or loss:</i>				
▪ Financial assets at fair value through profit or loss				
• <i>Listed shares</i>	1,878,329,908	1,878,329,908	2,574,211,308	2,574,211,308
• <i>Unlisted shares</i>	3,320,482	3,320,482	4,985,282	4,985,282
<i>Categorised as held-to-maturity investments:</i>				
▪ Term deposits at banks	80,000,000,000	(*)	80,000,000,000	(*)
<i>Categorised as loans and receivables:</i>				
▪ Cash in banks and cash equivalents	193,053,463,273	193,053,463,273	188,285,392,211	188,285,392,211
▪ Loans receivable - net	1,025,047,388,500	(*)	1,169,116,313,346	(*)
▪ Receivables	24,764,344,332	(*)	32,397,517,351	(*)
▪ Prepayments to suppliers	2,926,982,439	(*)	1,151,226,550	(*)
▪ Receivables from services rendered	13,282,245,727	(*)	15,727,015,963	(*)
▪ Other receivables - net	3,764,847,875	(*)	3,646,298,642	(*)
▪ Long-term deposits	2,067,790,005	(*)	1,888,074,824	(*)
▪ Deposits at Payment Support Fund	6,964,116,068	(*)	4,464,116,068	(*)

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	30/6/2019		31/12/2018	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
<i>Categorised as liabilities at amortised cost:</i>				
▪ Short-term borrowings	(501,972,450,000)	(*)	(647,666,000,000)	(*)
▪ Accounts payable for securities trading activities	(84,216,915,495)	(*)	(102,621,772,169)	(*)
▪ Accounts payable to suppliers	(200,793,703)	(*)	(165,722,331)	(*)
▪ Accrued expenses	(9,246,518,736)	(*)	(12,302,295,614)	(*)
▪ Other payables	(23,225,962,573)	(*)	(1,770,410,941)	(*)

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



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5. Cash and cash equivalents

	30/6/2019	31/12/2018
	VND	VND
Cash on hand	6,760,255	3,453,255
Cash in banks	6,053,463,273	2,335,523,899
Cash equivalents	187,000,000,000	185,949,868,312
	<hr/>	<hr/>
	193,060,223,528	188,288,845,466
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As at 30 June 2019, none of the cash and cash equivalents balance were pledged with banks as security for loans granted to the Company (31/12/2018: VND49,800,000,000) (Note 17).

6. Volume and value of transactions during the period

	Six-month period ended		Six-month period ended	
	30/6/2019		30/6/2018	
	Volume of	Value of	Volume of	Value of
	transactions	transactions	transactions	transactions
		VND		VND
a) The Company				
Shares	2,687,755	91,703,205,497	931,161	38,962,110,875
b) Investors/customers				
Shares	788,475,770	13,523,077,143,117	713,117,066	15,172,330,520,715
Other securities	201,380	2,797,158,900	921,510	15,385,717,000
	<hr/>	<hr/>	<hr/>	<hr/>
	791,364,905	13,617,577,507,514	714,969,737	15,226,678,348,590
	<hr/>	<hr/>	<hr/>	<hr/>

7. Financial assets

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

	30/6/2019		31/12/2018	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Listed shares	1,820,417,671	1,878,329,908	2,602,077,451	2,574,211,308
Unlisted shares	3,320,482	3,320,482	4,985,282	4,985,282
	<hr/>	<hr/>	<hr/>	<hr/>
	1,823,738,153	1,881,650,390	2,607,062,733	2,579,196,590
	<hr/>	<hr/>	<hr/>	<hr/>

Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019 (continued)

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Movements of fair values of financial assets at FVTPL during the period were as follows:

	Quantity	30/6/2019	Fair value VND (2)	Revaluation difference during the period		Revaluation value VND (5) = (1) + (3) – (4)
		Cost VND (1)		Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	
Listed shares						
FPT	17,522	745,610,750	797,251,000	51,640,250	-	797,251,000
BWE	18,900	500,643,000	497,070,000	-	3,573,000	497,070,000
VIC	2,240	260,335,586	259,168,000	812,414	1,980,000	259,168,000
PHR	4,215	248,054,626	257,958,000	9,903,374	-	257,958,000
Others	3,248	65,773,709	66,882,908	8,779,754	7,670,555	66,882,908
	46,125	1,820,417,671	1,878,329,908	71,135,792	13,223,555	1,878,329,908
Unlisted shares						
MCV	134	1,918,500	1,918,500	-	-	1,918,500
CIC	54	679,437	679,437	-	-	679,437
TAS	50	423,150	423,150	-	-	423,150
Others	41	299,395	299,395	-	-	299,395
	279	3,320,482	3,320,482	-	-	3,320,482
	46,404	1,823,738,153	1,881,650,390	71,135,792	13,223,555	1,881,650,390

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Notes to the interim financial statements for the six-month period ended 30 June 2019 (continued)

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	Quantity	31/12/2018	Fair value VND (2)	Revaluation difference during the period		Revaluation value VND (5) = (1) + (3) – (4)
		Cost VND (1)		Revaluation gain VND (3) = (2) – (1)	Revaluation loss VND (4) = (1) – (2)	
Listed shares						
VNM	2,024	250,963,626	242,880,000	-	8,083,626	242,880,000
CTD	3,111	495,939,220	497,760,000	1,820,780	-	497,760,000
CTI	20,500	490,115,000	496,100,000	5,985,000	-	496,100,000
ACB	10,000	296,000,000	296,000,000	-	-	296,000,000
BID	14,518	492,889,452	499,419,200	6,529,748	-	499,419,200
VIC	2,540	262,315,586	242,062,000	-	20,253,586	242,062,000
PLX	4,500	253,800,000	238,500,000	-	15,300,000	238,500,000
Others	3,042	60,054,567	61,490,108	7,156,229	5,720,688	61,490,108
	60,235	2,602,077,451	2,574,211,308	21,491,757	49,357,900	2,574,211,308
Unlisted shares						
MCV	134	1,918,500	1,918,500	-	-	1,918,500
XMC	132	1,664,800	1,664,800	-	-	1,664,800
Others	145	1,401,982	1,401,982	-	-	1,401,982
	411	4,985,282	4,985,282	-	-	4,985,282
	60,646	2,607,062,733	2,579,196,590	21,491,757	49,357,900	2,579,196,590

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Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***(b) Held-to-maturity investments**

	30/6/2019		31/12/2018	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Term deposits at banks with original term to maturity of more than 3 months to 1 year	80,000,000,000	(*)	80,000,000,000	(*)

As at 30 June 2019, term deposits at banks amounting to VND50,000,000,000 were pledged with banks as security for loans granted to the Company (31/12/2018: VND50,000,000,000) (Note 17).

(c) Loans receivable

	30/6/2019		31/12/2018	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Margin loans (i)	987,863,345,638	(*)	1,148,258,560,312	(*)
Advances to customers for the proceeds from selling securities (ii)	42,934,063,303	(*)	26,909,392,675	(*)
	1,030,797,408,941	(*)	1,175,167,952,987	(*)

- (i) The margin loans were granted to customers for margin trade. As at 30 June 2019, these loans had original term to maturity of 90 days and earned daily interest rates ranging from 0.029% to 0.039% (31/12/2018: from 0.029% to 0.039%). The initial minimum margin is 50% and minimum maintenance margin for the margin trade is 30% - 40% (31/12/2018: 30% - 40%).
- (ii) As at 30 June 2019, advances to customers for the proceeds from selling securities earned daily interest rates ranging from 0.029% to 0.039% and had original term to maturity ranging from 1 day to 2 days (31/12/2018: from 0.029% to 0.039%).
- (*) The Company has not determined fair values of these financial instruments for disclosure in the interim financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and accounting guidance for securities companies. The fair values of these financial instruments may differ from their carrying amounts.

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC
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	30/6/2019	31/12/2018
	VND	VND
Interest receivables from margin loans	21,010,705,981	29,393,206,400
Interest receivable from term deposits at banks	3,753,638,351	3,004,310,951
	<hr/>	<hr/>
	24,764,344,332	32,397,517,351
	<hr/>	<hr/>

9. Receivables from services rendered

	30/6/2019	31/12/2018
	VND	VND
Receivables from clearing and settlement of securities transactions	12,310,589,700	15,038,637,600
Receivables from custody services	752,321,352	524,410,403
Receivables from brokerage activities	143,376,478	163,902,263
Other receivables	75,958,197	65,697
	<hr/>	<hr/>
	13,282,245,727	15,727,015,963
	<hr/>	<hr/>

10. Other receivables

	30/6/2019	31/12/2018
	VND	VND
Advances to customers for securities trading activities (i)	12,678,579,927	12,678,579,927
Others	212,273,921	257,408,221
	<hr/>	<hr/>
	12,890,853,848	12,935,988,148
	<hr/>	<hr/>

- (i) These balances represent advances to customers for securities trading activities incurring before the issuance of Decision No. 637/QD-UBCK dated 30 August 2011 issued by the State Securities Commission of Vietnam which provides guidance for margin trade activities. Allowance for these advances were made and presented in Note 11(b).

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Notes to the interim financial statements for the six-month period ended 30 June 2019 (continued)

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11. Allowance for diminution in value of financial assets and doubtful debts

(a) Allowance for diminution in value of financial assets

Six-month period ended 30 June 2019

	As at 30/6/2019			Allowance as at 31/12/2018 VND	Allowance reversed during the period VND
	Cost VND	Recoverable amount VND	Allowance VND		
Margin loans	7,077,460,441	1,327,440,000	5,750,020,441	6,051,639,641	(301,619,200)

Six-month period ended 30 June 2018

	As at 30/6/2018			Allowance as at 31/12/2017 VND	Allowance made during the period VND
	Cost VND	Recoverable amount VND	Allowance VND		
Margin loans	11,714,199,079	7,132,358,121	4,581,840,958	3,536,656,255	1,045,184,703

Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019 (continued)

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11. Allowance for diminution in value of financial assets and doubtful debts (continued)

(b) Allowance for doubtful debts

Six-month period ended 30/6/2019

	As at 30/6/2019				Allowance reversed during the period VND
	Cost VND	Recoverable amount VND	Allowance VND	Allowance as at 31/12/2018 VND	
Advances to customers for securities trading activities	12,128,578,782	3,002,572,809	9,126,005,973	9,289,689,506	(163,683,533)

Six-month period ended 30/6/2018

	As at 30/6/2018				Allowance reversed during the period VND
	Cost VND	Recoverable amount VND	Allowance VND	Allowance as at 31/12/2017 VND	
Advances to customers for securities trading activities	12,678,579,927	3,311,483,697	9,367,096,230	9,470,341,057	(103,244,827)

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***12. Prepaid expenses****(a) Short-term prepaid expenses**

	30/6/2019	31/12/2018
	VND	VND
Software licence maintenance	823,266,883	393,824,438
Prepaid rental fees	148,578,665	364,844,035
Others	955,795,003	644,744,986
	<hr/>	<hr/>
	1,927,640,551	1,403,413,459
	<hr/>	<hr/>

(b) Long-term prepaid expenses

	30/6/2019	31/12/2018
	VND	VND
Tools and instruments	2,161,767,008	1,802,738,222
Others	2,631,932,083	2,252,565,078
	<hr/>	<hr/>
	4,793,699,091	4,055,303,300
	<hr/>	<hr/>

Movements of long-term prepaid expenses during the period were as follows:

	Six-month period ended 30/6/2019	Six-month period ended 30/6/2018
	VND	VND
Opening balance	4,055,303,300	3,989,840,965
Additions during the period	2,103,694,346	950,556,401
Amortisation during the period	(1,365,298,555)	(1,592,673,469)
	<hr/>	<hr/>
Closing balance	4,793,699,091	3,347,723,897
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Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019
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*(Issued under Circular No. 334/2016/TT-BTC
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13. Tangible fixed assets

Six-month period ended 30/6/2019	Leasehold improvements VND	Office equipment VND	Motor vehicles VND	Total VND
Cost				
Opening balance	1,734,108,818	22,274,342,712	-	24,008,451,530
Additions	-	2,931,112,800	220,000,000	3,151,112,800
Disposals	-	(38,446,470)	-	(38,446,470)
Closing balance	1,734,108,818	25,167,009,042	220,000,000	27,121,117,860
Accumulated depreciation				
Opening balance	1,734,108,818	18,395,569,176	-	20,129,677,994
Charge for the period	-	669,131,204	1,425,926	670,557,130
Disposals	-	(38,446,470)	-	(38,446,470)
Closing balance	1,734,108,818	19,026,253,910	1,425,926	20,761,788,654
Net book value				
Opening balance	-	3,878,773,536	-	3,878,773,536
Closing balance	-	6,140,755,132	218,574,074	6,359,329,206

Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

Form B09a – CTCK

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13. Tangible fixed assets (continued)

Six-month period ended 30/6/2018	Leasehold improvements VND	Office equipment VND	Total VND
Cost			
Opening balance	1,734,108,818	20,347,243,912	22,081,352,730
Additions	-	1,871,218,800	1,871,218,800
Closing balance	1,734,108,818	22,218,462,712	23,952,571,530
Accumulated depreciation			
Opening balance	1,669,241,566	17,599,417,921	19,268,659,487
Charge for the period	64,867,252	343,224,793	408,092,045
Closing balance	1,734,108,818	17,942,642,714	19,676,751,532
Net book value			
Opening balance	64,867,252	2,747,825,991	2,812,693,243
Closing balance	-	4,275,819,998	4,275,819,998

Included in tangible fixed assets were assets costing VND18,508,818,400 which were fully depreciated as at 30 June 2019, but which are still in use (31/12/2018: VND18,547,264,870).

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***14. Intangible fixed assets**

	Six-month period ended 30/6/2019 Software VND	Six-month period ended 30/6/2018 Software VND
Cost		
Opening and closing balance	8,161,659,400	8,161,659,400
Accumulated depreciation		
Opening balance	4,672,431,830	3,632,561,489
Charge for the period	502,505,724	537,364,617
Closing balance	5,174,937,554	4,169,926,106
Net book value		
Opening balance	3,489,227,570	4,529,097,911
Closing balance	2,986,721,846	3,991,733,294

Included in intangible fixed assets were assets costing VND1,305,495,000 which were fully depreciated as at 30 June 2019, but which are still in use (31/12/2018: VND1,305,495,000).

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***15. Long-term deposits**

	30/6/2019	31/12/2018
	VND	VND
Security deposits for office, house and car rentals	2,067,790,005	1,888,074,824

16. Deposits at Payment Support Fund

	30/6/2019	31/12/2018
	VND	VND
Deposits at Payment Support Fund	6,964,116,068	4,464,116,068

According to Decision No. 45/QD-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million at the Vietnam Securities Depository and an annual contribution of 0.01% of the total value of brokered securities, which are listed and registered for transactions in the Stock Exchanges, in the previous year with the maximum of annual contribution of VND2.5 billion to Payment Support Fund.

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

	Six-month period ended 30/6/2019	Six-month period ended 30/6/2018
	VND	VND
Opening balance	4,464,116,068	2,054,149,278
Deposits made during the period	2,280,686,961	2,303,606,256
Interest earned during the period	219,313,039	106,360,534
Closing balance	6,964,116,068	4,464,116,068

Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019 (continued)

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17. Short-term borrowings

Description	Interest rate (per annum)	Opening balance as at 1/1/2019 VND	Receipts VND	(Payments) VND	Foreign exchange differences VND	Closing balance as at 30/6/2019 VND
Short-term borrowings from						
▪ First Commercial Bank – Ho Chi Minh City Branch	7.00% - 7.25%	16,000,000,000	-	(16,000,000,000)	-	-
▪ Cathay United Bank – Chu Lai Branch	5.75%	40,000,000,000	-	(40,000,000,000)	-	-
▪ BIDV – Nam Ky Khoi Nghia Branch (i)	7.80%	-	1,183,288,712,964	(1,183,288,712,964)	-	-
▪ Indovina Bank – Ho Chi Minh City Branch	6.80%	-	104,000,000,000	(104,000,000,000)	-	-
▪ The Shanghai Commercial & Savings Bank, Ltd. – Hong Kong Branch	4.53%-4.80%	46,480,000,000	36,022,000,000	(82,722,000,000)	220,000,000	-
▪ Orient Commercial Bank – Ho Chi Minh City Branch	6.50%-8.30%	-	165,500,000,000	(165,500,000,000)	-	-
▪ CTBC Bank – Ho Chi Minh City Branch	7.00%	30,000,000,000	-	(30,000,000,000)	-	-
▪ Phu Lap Investment Consultant Co., Ltd.	8.70%	35,000,000,000	-	-	-	35,000,000,000
▪ MEGA International Commercial Bank – Ho Chi Minh City Branch	5.10%-5.40%	20,000,000,000	40,000,000,000	(60,000,000,000)	-	-
▪ Yuanta Commercial Bank Co., Ltd.	3.79%-4.25%	116,200,000,000	-	-	625,000,000	116,825,000,000
▪ E.SUN Bank - Dong Nai Branch	6.82%-6.94%	30,000,000,000	-	(30,000,000,000)	-	-
▪ Entie Commercial Bank Co., Ltd	4.42%-4.35%	-	69,750,000,000	-	345,000,000	70,095,000,000
▪ Bank SinoPac Co., Ltd – Ho Chi Minh City Branch	6.00%	-	30,000,000,000	(30,000,000,000)	-	-

Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019 (continued)

Form B09a – CTCK
(Issued under Circular No. 334/2016/TT-BTC
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Description	Interest rate (per annum)	Opening balance as at 1/1/2019 VND	Receipts VND	(Payments) VND	Foreign exchange differences VND	Closing balance as at 30/6/2019 VND
▪ MEGA International Commercial Bank – Head Office	4.38%	25,564,000,000	-	(25,723,500,000)	159,500,000	-
▪ The Shanghai Commercial & Savings Bank, Ltd.	7.19%-7.70%	20,000,000,000	40,000,000,000	(40,000,000,000)	-	20,000,000,000
▪ Taipei Fubon Commercial Bank Co., Ltd – Ho Chi Minh City Branch	5.65%	-	4,000,000,000	(4,000,000,000)	-	-
▪ Cathay United Bank – Taiwan Branch	3.92%-4.01%	116,200,000,000	116,775,000,000	(114,025,000,000)	(2,125,000,000)	116,825,000,000
▪ Chang Hwa Commercial Bank Ltd., – Hsi-sung Branch	3.91%-4.25%	116,200,000,000	62,631,600,000	(114,025,000,000)	(2,188,400,000)	62,618,200,000
▪ First Commercial Bank – Offshore Banking Branch	4.38%-4.85%	36,022,000,000	10,462,500,000	(36,068,500,000)	98,250,000	10,514,250,000
▪ Taiwan Shin Kong Commercial Bank Co., Ltd	3.88%-3.92%	-	70,380,000,000	-	(285,000,000)	70,095,000,000
		647,666,000,000	1,932,809,812,964	(2,075,352,712,964)	(3,150,650,000)	501,972,450,000

- (i) As at 30 June 2019, these borrowings are secured by none of the cash and cash equivalents balance (31/12/2018: VND49,800,000,000) (Note 5) and term deposits at banks of VND50,000,000,000 (31/12/2018: VND50,000,000,000) (Note 7(b)).

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019**

(continued)

Form B09a – CTCK*(Issued under Circular No. 334/2016/TT-BTC dated 27 December 2016 of the Ministry of Finance)***18. Accounts payable for securities trading activities**

	30/6/2019	31/12/2018
	VND	VND
Settlements of securities transactions by customers	83,440,700,500	100,833,582,700
Clearing and settlement of securities transactions	776,040,300	1,788,040,000
Others	174,695	149,469
	<hr/>	<hr/>
	84,216,915,495	102,621,772,169
	<hr/>	<hr/>

19. Taxes payable to State Treasury

	Opening balance			Closing balance
	as at 1/1/2019	Incurred	Net-off/paid	as at 30/6/2019
	VND	VND	VND	VND
Corporate income tax	-	4,362,181,127	(2,101,135,827)	2,261,045,300
Personal income tax	1,275,309,849	8,699,805,201	(8,933,896,412)	1,041,218,638
Value added tax	4,545,455	11,234,546	(13,052,728)	2,727,273
Foreign contractor withholding tax	-	1,023,382,150	(1,023,382,150)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,279,855,304	14,096,603,024	(12,071,467,117)	3,304,991,211
	<hr/>	<hr/>	<hr/>	<hr/>

20. Accrued expenses

	30/6/2019	31/12/2018
	VND	VND
Employee costs	4,695,596,989	7,121,585,196
Interest expense	1,262,304,504	1,278,513,810
Securities transaction fees	670,399,786	968,216,888
Consulting fees	19,997,022	122,473,362
Others	2,598,220,435	2,811,506,358
	<hr/>	<hr/>
	9,246,518,736	12,302,295,614
	<hr/>	<hr/>

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***21. Other payables**

	30/6/2019	31/12/2018
	VND	VND
Dividend payables (*)	23,099,838,300	-
Payables to customers	16,983,000	1,630,509,000
Other payables	109,141,273	139,901,941
	<hr/>	<hr/>
	23,225,962,573	1,770,410,941
	<hr/>	<hr/>

(*) At the 11 June 2019 meeting, the Company's Board of Directors decided to distribute cash dividends of VND23,099,838,300 equivalent to VND330 per share (2018: nil).

22. Interest income from loans and receivables

	Six-month period ended 30/6/2019	Six-month period ended 30/6/2018
	VND	VND
Interest income from margin loans	63,210,341,913	45,559,985,467
Fees from advances to customers for the proceeds from selling securities	2,458,939,152	1,923,177,631
	<hr/>	<hr/>
	65,669,281,065	47,483,163,098
	<hr/>	<hr/>

23. Expenses for securities brokerage

	Six-month period ended 30/6/2019	Six-month period ended 30/6/2018
	VND	VND
Employee costs	12,752,285,633	10,247,270,950
Commission on sales of securities	7,268,320,779	8,724,282,986
Securities brokerage fees	4,051,348,776	4,513,357,740
Rental expenses	3,015,416,830	2,628,374,280
External services	1,855,384,473	2,012,482,344
Tools and supplies	529,740,262	277,830,766
Depreciation of fixed assets	-	64,867,252
Other expenses	463,200,581	219,566,424
	<hr/>	<hr/>
	29,935,697,334	28,688,032,742
	<hr/>	<hr/>

Phu Hung Securities Corporation

**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)**

Form B09a – CTCK

*(Issued under Circular No. 334/2016/TT-BTC
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24. Interest expense

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Interest expense on borrowings	13,891,901,715	11,886,432,592
Interest expense on customers' deposits for securities trading activities	80,040,823	255,582,075
	<hr/>	<hr/>
	13,971,942,538	12,142,014,667

25. General and administration expenses

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Employee costs	8,786,063,180	7,425,310,716
External services	5,474,999,435	5,034,107,251
Rental expenses	1,373,837,369	1,264,191,761
Depreciation and amortisation of fixed assets	1,167,584,056	880,589,410
Tools and supplies	380,609,923	431,717,102
Taxes and fees	63,737,538	58,548,270
Other expenses	1,134,167,385	860,278,993
	<hr/>	<hr/>
	18,380,998,886	15,954,743,503

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***26. Income tax****(a) Reconciliation of effective tax rate**

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Accounting profit before tax	28,668,462,117	18,170,588,943
Tax at the Company's tax rate	5,733,692,423	3,634,117,789
Non-deductible expenses	33,110,669	103,173,163
Non-taxable income	(19,002,713)	(17,302,593)
Tax losses utilised	(1,385,619,252)	(3,719,988,359)
	<u>4,362,181,127</u>	<u>-</u>

(b) Applicable tax rates

The Company's income tax rate is 20%. The income tax computation is subjected to the review and approval of the tax authorities.

(c) Tax losses

During the six-month period ended 30 June 2019, a tax losses balance amounting to VND6,928,096,260 was utilised (six-month period ended 30 June 2018: VND18,599,941,795).

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***27. Basic earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2019 was based on the profit attributable to ordinary shareholders of VND24,306,280,990 (six-month period ended 30 June 2018: profit attributable to ordinary shareholders of VND18,170,588,943) and a weighted average number of ordinary shares outstanding of 69,999,510 shares (six-month period ended 30 June 2018: 49,999,510 shares), calculated as follows:

(i) Net profit attributable to ordinary shareholders

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Net profit for the period	24,306,280,990	18,170,588,943

(ii) Weighted average number of ordinary shares

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Issued ordinary shares at the beginning of the period	69,999,510	49,999,510
Effect of shares issued during the period	-	-
Weighted average number of ordinary shares for the period	69,999,510	49,999,510

(iii) Basic earnings per share

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Basic earnings per share	347	363

The Company did not have any dilutive potential ordinary shares during the reporting period.

Phu Hung Securities Corporation**Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)****Form B09a – CTCK***(Issued under Circular No. 334/2016/TT-BTC
dated 27 December 2016 of the Ministry of Finance)***28. Significant transactions with related parties**

In addition to the related party balances disclosed in other notes to the interim financial statements, the Company had the following significant transactions with related parties during the period:

	Transaction value	
	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Dong Bang Development Limited - major shareholder		
Securities custody fee	12,749,400	-
Freshfields Capital Corporation - major shareholder		
Securities custody fee	12,749,400	-
Vu Thai Investment Consulting Co., Ltd - major shareholder		
Securities custody fee	20,837,842	-
Interest expense	3,353	-
An Think Development Co., Ltd - major shareholder		
Securities custody fee	3,087,017	-
Share transfer fee	65,494,450	-
Phu Think Investment Consulting Co., Ltd - shareholder		
Shares transfer fee	161,318,200	-
Securities custody fee	6,787,405	-
Interest expense	5,486	-
Phu Lap Investment Consultant Co., Ltd. - shareholder		
Interest expense	1,530,964,761	1,530,969,485
Consultant fee	28,636,364	16,750,000
Shares transfer fee	13,700,000	-
Securities custody fee	2,136,189	-
CX Technology (Vietnam) Corporation - related company		
Repayment of borrowings	-	70,000,000,000
Interest expense	-	165,277,778
Remunerations of key management personnel		
Salaries and other benefits	1,297,190,500	1,161,710,025

Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019 (continued)

Form B09a – CTCK

(Issued under Circular No. 334/2016/TT-BTC
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29. Segment reporting

(i) *Business segments*

The Company comprises the main business segments: securities brokerage, securities trading, treasury activities and other activities.

	Code	Securities brokerage VND	Securities trading VND	Treasury activities VND	Others VND	Total VND
Six-month period ended 30 June 2019						
1. Revenue from operating activities	01	22,987,945,317	778,479,472	74,281,683,775	1,082,498,141	99,130,606,705
2. Direct expenses	02	25,673,229,844	1,402,814,524	41,334,384,672	1,391,192,590	69,801,621,630
3. Depreciation and amortisation expenses	03	-	5,478,798	1,167,584,056	-	1,173,062,854
4. Allowance for diminution in value of investments	04	-	(36,134,345)	-	-	(36,134,345)
5. Allowance for doubtful debts	05	-	-	(465,302,733)	-	(465,302,733)
6. Other income	06	-	-	-	11,102,818	11,102,818
Profit/(loss) before tax (07 = 01 + 06 – 02 – 03 – 04 – 05)	07	(2,685,284,527)	(593,679,505)	32,245,017,780	(297,591,631)	28,668,462,117
As at 30 June 2019						
Segment assets		29,476,098,534	3,148,437,559	1,336,573,324,238	802,771,352	1,370,000,631,683
Segment liabilities		5,068,277,130	150,154,446	616,926,351,677	785,671,174	622,930,454,427

Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019 (continued)

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

30. Segment reporting (continued)

(i) *Business segments (continued)*

	Code	Securities brokerage VND	Securities trading VND	Treasury activities VND	Others VND	Total VND
Six-month period ended 30 June 2018						
1. Revenue from operating activities	01	26,782,519,171	818,478,982	53,677,674,547	865,405,494	82,144,078,194
2. Direct expenses	02	26,436,968,745	1,224,763,187	33,202,690,126	1,033,694,560	61,898,116,618
3. Depreciation and amortisation expenses	03	64,867,252	-	880,589,410	-	945,456,662
4. Allowance for diminution in value of investments	04	-	191,886,049	-	-	191,886,049
5. Allowance for doubtful debts	05	-	-	941,939,876	-	941,939,876
6. Other income	06	-	-	-	3,909,954	3,909,954
Profit before tax (07 = 01 + 06 – 02 – 03 – 04 – 05)	07	280,683,174	(598,170,254)	18,652,455,135	(164,379,112)	18,170,588,943
As at 31 December 2018						
Segment assets		20,214,851,454	2,589,329,286	1,489,050,576,226	561,065,699	1,512,415,822,665
Segment liabilities		11,975,112,207	1,972,431,309	750,092,677,277	2,511,867,306	766,552,088,099

(ii) *Geographical segment*

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

Phu Hung Securities Corporation
Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

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30. Commitments

Leases

The future minimum lease payments under non-cancellable operating leases were:

	30/6/2019	31/12/2018
	VND	VND
Within one year	9,171,577,932	8,892,835,300
Within two to five years	6,921,681,000	10,854,964,583
	<hr/>	<hr/>
	16,093,258,932	19,747,799,883

31. Seasonality or cyclical factors

The Company's result of operations is not affected by seasonality or cyclical factors except for the following item:

Statutory reserves

The Company is required to make allocations to the statutory reserves annually. Therefore, the Company will make allocations to the statutory reserves at the end of the annual accounting period.

32. Change in accounting estimates

In preparing the interim financial statements, the Board of Management has made several accounting estimates. Actual results may differ from these accounting estimates. There was no significant change in accounting estimates compared to those made in the most recent annual financial statements or those made in the same interim period in the prior year.

33. Change in the company's structure

There was no significant change in the Company's structure for the six-month period ended 30 June 2019 compared to the latest annual financial statements.

Phu Hung Securities Corporation

Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

Form B09a - CTCK

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34. Unusual items

There were no significant unusual items during the six-month period ended 30 June 2019.

30 July 2019

Prepared by:



Ms. Nguyen Thi An Vi
Deputy Accounting Manager

Reviewed by:



Ms. Do Thi Ai Vy
Chief Accountant



Approved by:

Mr. Chen Chia Ken
General Director