



**Vietnam Investment Fund Management
Joint Stock Company**

Interim Financial Statements for
the six-month period ended
30 June 2019



**Vietnam Investment Fund Management Joint Stock Company
Corporate Information**

**Investment/Establishment
and Operation Licence No.**

01/GPDT-UBCKNN	15 July 2003
179/QD-UBCK	18 August 2003
58/QD-UBCK	7 March 2005
766/QD-UBCK	8 December 2006
253/QD-UBCK	5 April 2007
16/UBCK-GP	23 June 2008
45/UBCK-GP	8 January 2009
63/UBCK-GP	24 February 2010
73/UBCK-GP	24 June 2010
79/UBCK-GP	4 November 2010
361/QD-UBCK	18 April 2012
36/GPDC-UBCK	28 May 2012
17/GPDC-UBCK	3 June 2013
06/GPDC-UBCK	30 January 2019

The initial Investment Licence/Establishment and Operation Licence and its updates were issued by the State Securities Commission of Vietnam and are valid for 50 years from the date of the Establishment and Operation Licence No. 45/UBCK-GP.

Board of Management

Mr. Dominic Scriven	Chairman
Mr. Tran Thanh Tan	Vice Chairman
Ms. Luong Thi My Hanh	Member
Mr. Le Hoang Anh	Member
Mr. Nguyen Xuan Vu	Member

Board of Directors

Mr. Tran Thanh Tan	Chief Executive Officer
Ms. Luong Thi My Hanh	Deputy General Director
Mr. Tran Le Minh	Deputy General Director
Mr. Nguyen Minh Dang Khanh	Deputy General Director
Mr. Tran Van Hieu	Deputy General Director

Board of Supervisors

Ms. Phan Thi Tuy Van	Chairman
Mr. Vo Tran Dinh Hieu	Member
Ms. Pham Thi Thanh Thuy	Member

**Vietnam Investment Fund Management Joint Stock Company
Corporate Information (continued)**

Registered Office 17th Floor, Me Linh Point
2 Ngo Duc Ke Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Auditor KPMG Limited
Vietnam

Vietnam Investment Fund Management Joint Stock Company Statement of the Board of Directors

The Board of Directors of Vietnam Investment Fund Management Joint Stock Company (“the Company”) presents this statement and the accompanying interim financial statements of the Company for the six-month period ended 30 June 2019.

The Board of Directors 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. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Company’s Board of Directors:

- (a) the interim financial statements set out on pages 6 to 59 give a true and fair view of the financial position of the Company 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. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the relevant statutory requirements applicable to 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 interim financial statements have been prepared on a going concern basis.

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

On behalf of the Board of Directors



Tran Thanh Tan
Chief Executive Officer

Ho Chi Minh City, 14 August 2019



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INTERIM FINANCIAL INFORMATION REVIEW REPORT

To the Shareholders Vietnam Investment Fund Management Joint Stock Company

We have reviewed the accompanying interim financial statements of Vietnam Investment Fund Management Joint Stock Company (“the Company”), which comprise the balance sheet as at 30 June 2019, the statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Directors on 14 August 2019, as set out on pages 6 to 59.

Management’s Responsibility

The Company’s Board of Directors 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. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Directors 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 Vietnam Investment Fund Management Joint Stock Company 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. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Review Report No. 19-01-00284-19-1



Auvarin Phoi
Practicing Auditor Registration
Certificate No. 2252-2018-007-1
Deputy General Director

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

Ho Chi Minh City, 14 August 2019

Vietnam Investment Fund Management Joint Stock Company
Balance sheet as at 30 June 2019

Form B01a – CTQ

(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

	Code	Note	30/6/2019 VND	31/12/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 150)	100		280,169,561,052	290,439,393,409
Cash and cash equivalents	110	4	48,706,786,327	139,507,432,094
Cash	111		4,406,786,327	12,207,432,094
Cash equivalents	112		44,300,000,000	127,300,000,000
Short-term financial investments	120		169,585,620,760	78,765,957,448
Held-for-trading securities	121	5(a)	122,828,353,846	79,517,661,409
Allowance for diminution in the value of held-for-trading securities	122	5(b)	(3,242,733,086)	(751,703,961)
Held-to-maturity investments	123	5(c)	50,000,000,000	-
Accounts receivable – short-term	130		59,149,155,655	69,426,175,167
Accounts receivable from customers	131	6	42,095,324,320	53,390,608,565
Prepayments to suppliers	132	7	6,259,422,080	6,973,157,951
Receivables from management activities	134	8	10,223,506,503	8,420,961,115
Other short-term receivables	135	9	570,902,752	641,447,536
Other current assets	150		2,727,998,310	2,739,828,700
Short-term prepaid expenses	151	13(a)	2,727,998,310	2,739,828,700

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

Vietnam Investment Fund Management Joint Stock Company
Balance sheet as at 30 June 2019 (continued)

Form B01a – CTQ

(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

	Code	Note	30/6/2019 VND	31/12/2018 VND
Long-term assets (200 = 210 + 220 + 240 + 260)	200		25,155,233,948	24,363,305,069
Accounts receivable – long-term	210		1,109,223,200	1,109,223,200
Other long-term receivables	218		1,109,223,200	1,109,223,200
Fixed assets	220		10,825,373,236	8,846,294,687
Tangible fixed assets	221	10	3,144,172,893	1,611,846,072
Cost	222		13,401,264,987	11,440,323,787
Accumulated depreciation	223		(10,257,092,094)	(9,828,477,715)
Intangible fixed assets	227	11	7,681,200,343	7,234,448,615
Cost	228		13,260,084,611	12,017,271,011
Accumulated amortisation	229		(5,578,884,268)	(4,782,822,396)
Long-term work in progress	240		450,000,000	450,000,000
Construction in progress	242	12	450,000,000	450,000,000
Other long-term assets	260		12,770,637,512	13,957,787,182
Long-term prepaid expenses	261	13(b)	617,308,602	925,635,211
Deferred tax assets	262	14	2,153,328,910	3,032,151,971
Other long-term assets	263	15	10,000,000,000	10,000,000,000
TOTAL ASSETS (270 = 100 + 200)	270		305,324,795,000	314,802,698,478

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

Vietnam Investment Fund Management Joint Stock Company
Balance sheet as at 30 June 2019 (continued)

Form B01a – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

	Code	Note	30/6/2019 VND	31/12/2018 VND
RESOURCES				
LIABILITIES (300 = 310)	300		19,145,864,633	34,258,255,452
Current liabilities	310		19,145,864,633	34,258,255,452
Accounts payable to suppliers	311	16	1,673,069,822	1,058,523,142
Taxes and others payable to State Treasury	314	17	2,990,982,513	15,068,201,805
Accrued expenses	316	18	12,389,459,342	16,113,864,146
Other payables	319		2,092,352,956	2,017,666,359
EQUITY (400 = 410)	400		286,178,930,367	280,544,443,026
Owners' equity	410	19	286,178,930,367	280,544,443,026
Share capital	411	20	214,772,030,000	229,512,030,000
Share premium	412		(60,690,000,000)	(60,690,000,000)
Treasury shares	414	20	-	(14,740,000,000)
Financial reserve	418		12,076,846,003	11,795,121,636
Reserve to supplement charter capital	419		4,038,572,685	3,756,848,318
Retained profits	420		115,981,481,679	110,910,443,072
TOTAL RESOURCES (440 = 300 + 400)	440		305,324,795,000	314,802,698,478

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

Vietnam Investment Fund Management Joint Stock Company
Balance sheet as at 30 June 2019 (continued)

Form B01a – CTQ

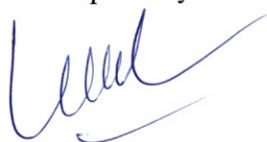
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

OFF-BALANCE SHEET ITEMS

	Code	Note	30/6/2019 VND	31/12/2018 VND
Foreign currencies	005	21(b)	8,024,513	8,024,513
Cash in banks of entrustors	030	22	3,942,765,594	50,175,694,125
- Domestic entrustors	031		1,664,678,243	25,886,137,993
- Foreign entrustors	032		2,278,087,351	24,289,556,132
Investment portfolio of entrustors	040	23	133,678,286,852	300,621,843,196
- Domestic entrustors	041		33,681,941,657	11,530,998,000
- Foreign entrustors	042		99,996,345,195	289,090,845,196
Receivables of entrustors	050	24	12,657,534	-
Payables of entrustors	051	25	2,828,102,345	1,485,379,082

14 August 2019

Prepared by:



Mr. Nguyen Huu Tuan
General Accountant

Approved by:



Mr. Pham Thanh Dung
Chief Accountant



Mr. Tran Thanh Tan
Chief Executive Officer

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

Vietnam Investment Fund Management Joint Stock Company
Statement of income for the six-month period ended 30 June 2019

Form B02a – CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

	Code	Note	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Net revenue	10	26	47,771,465,258	78,341,103,156
Financial income	21	27	5,602,491,251	58,786,969,048
Financial expenses	22	28	9,323,892,613	39,275,866,844
General and administration expenses	25	29	36,916,286,556	52,103,953,025
Net operating profit {30 = 10 + 21 - 22 - 25}	30		7,133,777,340	45,748,252,335
Other income	31		-	813,000,000
Result of other activities (40 = 31)	40		-	813,000,000
Accounting profit before tax (50 = 30 + 40)	50		7,133,777,340	46,561,252,335
Income tax expense – current	51	30	620,466,938	10,087,597,134
Income tax expenses/(benefit) - deferred	52	30	878,823,061	(431,899,513)
Net profit after tax (60 = 50 - 51 - 52)	60		5,634,487,341	36,905,554,714
Basic earnings per share	70	32	262	1,772

14 August 2019

Prepared by:



Mr. Nguyen Huu Tuan
General Accountant

Approved by:



Mr. Pham Thanh Dung
Chief Accountant



Mr. Tran Thanh Tan
Chief Executive Officer

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

Vietnam Investment Fund Management Joint Stock Company
Statement of cash flows for the six-month period ended 30 June 2019
(Direct method)

Form B03a – CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

	Code	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fund management activities and other activities	01	45,968,919,870	76,807,842,263
Payments for management activities and payments to suppliers	02	(15,206,529,279)	(31,473,804,130)
Payments to employees	03	(17,106,693,136)	(14,540,900,174)
Corporate income tax paid	05	(12,422,881,248)	(4,463,640,967)
Other receipts from operating activities	06	639,080,276	5,918,032,447
Other payments for operating activities	07	(6,362,914,926)	(10,462,189,448)
Net cash flows from operating activities	20	(4,491,018,443)	21,785,339,991
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(3,203,754,800)	(11,280,954,600)
Payments for Government bonds	23	(171,118,543,050)	-
Proceeds from disposals of Government bonds	24	170,296,080,274	-
Proceeds from disposals of certificate of deposits	24	80,000,000,000	-
Payments for investments in shares	25	(96,481,518,072)	(1,032,067,054,180)
Payments for certificates of deposit	25	(130,000,000,000)	-
Payments for margin deposit for trading derivatives	25	-	(4,060,000,000)
Proceeds from disposals of shares	26	59,663,867,635	988,975,957,051
Receipts of dividends	27	687,457,800	593,794,800
Receipts of interest from term deposits and certificate of deposits	27	3,846,782,889	65,122,782
Net cash flows from investing activities	30	(86,309,627,324)	(57,773,134,147)

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

Vietnam Investment Fund Management Joint Stock Company
Statement of cash flows for the six-month period ended 30 June 2019
(Direct method – continued)

Form B03a – CTQ
(Issued under Circular No. 125/2011/TT-BTC dated 5 September 2011 of the Ministry of Finance)

	Code	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of treasury shares	31	-	45,950,000,000
Net cash flows from financing activities	40	-	45,950,000,000
Net cash flows during the period (50 = 20 + 30 + 40)	50	(90,800,645,767)	9,962,205,844
Cash and cash equivalents at the beginning of the period	60	139,507,432,094	49,590,318,893
Cash and cash equivalents at the end of the period (70 = 50 + 60) (Note 4)	70	48,706,786,327	59,552,524,737

14 August 2019

Prepared by:



Mr. Nguyen Huu Tuan
General Accountant

Approved by:



Mr. Pham Thanh Dung
Chief Accountant



Mr. Tran Thanh Tan
Chief Executive Officer

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

Vietnam Investment Fund Management Joint Stock Company
Notes to the interim financial statements for the six-month period ended 30 June 2019

Form B09a – CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

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

1. Reporting entity

(a) Ownership structure

Vietnam Investment Fund Management Joint Stock Company (“the Company”) is a joint stock company incorporated in Vietnam under Investment Licence No. 01/GPDT-UBCKNN issued by the Chairman of State Securities Committee of Vietnam (“SSC”) on 15 July 2003. The Investment Licence/ Establishment and Operation Licence and its amendments are valid for 50 years from 8 January 2009 which is the issuance date of the Establishment and Operation License No. 45/UBCK-GP.

As at 30 June 2019, the Company’s charter capital is VND214,772 million (31/12/2018: VND229,512 million).

(b) Principal activities

The principal activities of the Company are to provide fund management service, investment portfolio management service and investment consultancy service.

(c) Normal business cycle

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

(d) The Company’s structure

As at 30 June 2019, the Company had 47 employees (31/12/2018: 45 employees) of which 20 staffs were management personnel, 4 staffs were newly recruited, 2 staffs were resigned and none were disciplined (31/12/2018: 19 staffs were management personnel, 7 staffs were newly recruited, 4 staffs were resigned and none were disciplined).

As at 30 June 2019, the Company had 18 employees (31/12/2018: 16 employees) who were qualified for fund and assets management.

Vietnam Investment Fund Management Joint Stock Company
Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

Form B09a – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

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. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies and the relevant statutory requirements applicable to interim financial reporting. These standards and statutory requirements may differ in some material respects from International Financial Reporting Standards and the generally accepted accounting principles and standards of other countries. Accordingly, the accompanying interim financial statements are not intended to present the financial position and results of operations and cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnamese accounting principles, procedures and practices applicable to investment fund management companies.

(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. The statement of cash flows is prepared using the direct 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.

(e) Accounting documentation system

The Company uses accounting software to record its transactions and accounting book form is general ledger.

Vietnam Investment Fund Management Joint Stock Company
Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

Form B09a – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

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 rate 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 buying rate at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

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

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Investments

Investments comprises held-for-trading securities and held-to-maturity investments.

(i) Held-for-trading securities

Held-for-trading securities are those held by the Company for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Held-for-trading securities are initially recognised at cost which include purchase price plus any directly attributable transaction costs such as brokerage charge, transaction fees, providing information fee and bank charge (if any). Subsequent to initial recognition, held-for-trading securities are measured at cost less allowance for diminution in value.

An allowance is made for diminution in value of held-for-trading securities if market price of the securities falls below its carrying amount based on promulgation of Circular No. 146/2014/TT-BTC dated 6 October 2014 (“Circular 146”) issued by the Ministry of Finance providing guidance of financial system for securities companies and investment fund management companies.

Vietnam Investment Fund Management Joint Stock Company
Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

Form B09a – CTQ

*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

For listed securities, securities registered for trading, market price is the transacted price on the Stock Exchanges on the last trading date of securities before the valuation date, in details:

- For listed securities on the Stock Exchanges, market price is the closing price on the last trading date of securities before the valuation date.
- For securities registered for trading (shares registered for trading on UPCOM), market price is the closing price on the last trading date of securities before the valuation date.

For unlisted securities and securities not yet registered for trading, market price is the average of quoted prices provided by three securities companies and transacted on the last trading date before the valuation date but not exceed one month before the valuation date. If there was no trading transaction during that period, the Company made no allowance for diminution in value of held-for-trading securities.

The Company made no allowance for diminution in value of held-for-trading securities if the Company were not able to determine market price of the securities.

Allowance for diminution in value of held-for-trading securities mentioned above is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(ii) *Held-to-maturity investments*

Held-to-maturity investments are those that the Company's management has the intention and ability to hold until maturity. Held-to-maturity investments include certificates of deposits issued by credit institutions that are hold until maturity. These investments are stated at costs less allowance for doubtful debts.

Vietnam Investment Fund Management Joint Stock Company
Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

Form B09a – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

In accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by Ministry of Finance, allowance for doubtful debts is made based on the 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 or based on the overdue status of debts using the following allowance rates:

Overdue status	Allowance rate
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 above	100%

Increase/decrease in allowance for doubtful debts is recorded as expense/income in the statement of income during the period, except when allowance for doubtful debts is used to write off the debts which were made allowance for and unable to recover. An allowance is reversed only to the extent that the receivables' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(e) 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 and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

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

- office equipment 6 years
- motor vehicles 3 – 6 years

Vietnam Investment Fund Management Joint Stock Company
Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

Form B09a – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

(f) 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 a period ranging from 4 to 8 years.

(g) Construction in progress

Construction in progress represents the costs of software system establishment which have not been fully completed. No depreciation is provided for construction in progress during the period of software system establishment.

(h) Long-term prepaid expenses

(i) *Golf club memberships*

Golf club memberships are recognised at cost and amortised on a straight-line basis over 10 years.

(ii) *Leasehold improvements*

Leasehold improvements are recognised at cost and amortised on a straight-line basis over 3 years.

(iii) *Tools and instruments*

Tools and instruments 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 the Article 3 of Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance which provides guidance on management, use and depreciation of fixed assets. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from over 1 to 3 years.

(i) Trade and other payables

Trade and other payables are stated at their costs.

Vietnam Investment Fund Management Joint Stock Company
Notes to the interim financial statements for the six-month period ended 30 June 2019
(continued)

Form B09a – CTQ
*(Issued under Circular No. 125/2011/TT-BTC
dated 5 September 2011 of the Ministry of Finance)*

(j) 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.

(k) Taxation

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

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

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

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

(l) Share capital

(i) *Share capital and share premium*

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of ordinary shares, net of tax effects, are recognised as a deduction from share premium. The excess of proceeds from issuance of shares over the par value of shares issued is recorded as share premium.

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(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.

(m) Statutory reserves

According to Circular No. 146/2014/TT-BTC dated 6 October 2014 issued by the Ministry of Finance providing guidance of financial system for securities companies and investment fund management companies, the Company is required to make the following allocations:

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

The purpose of the reserve to supplement charter capital is to supplement charter capital of the Company as approved by shareholders.

The purpose of the financial reserve is to compensate for loss incurred in the course of business, net of amount of loss that is compensated for by insurance companies or individuals causing such loss.

The Company is not allowed to use financial reserve and reserve to supplement charter capital to pay dividends.

(n) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Company's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Company classifies its financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

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

- It is considered by the Board of Directors as held for trading. A financial asset is considered as held for trading if:

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- 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.

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 upon 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 and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Company intends to sell immediately or in the near term, which are classified as held for trading, and those that the entity on initial recognition designates as at fair value through profit or loss;
- that the Company upon initial recognition designates as available-for-sale; or
- for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified as:

- financial assets at fair value through profit or loss;
- held-to-maturity investments; or
- loans and receivables.

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

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

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- It is considered by the Board of Directors as held for trading. A financial liability is considered as held for trading if:
 - it is incurred principally for the purpose of repurchasing 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 liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

(o) Entrusted investment contracts

The Company receives money from customers and uses the money to invest in securities on behalf of the customers in accordance with the terms of the entrusted investment contracts. Investments in securities on behalf of customers under entrusted investment contracts together with assets and liabilities in relation to such contracts are recorded in off-balance sheet in accordance with the guidance with Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies.

(p) Revenue and other income

(i) Services rendered

Management fee of investment fund, investment portfolio, redemption fee and subscription fee are recognised in the statement of income when earned. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(ii) Interest income

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

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(iii) Revenue from trading securities

Revenue from trading securities is recognised in the statement of income when the Company received Notice of matching for trading securities from Vietnam Securities Depository (for listed securities) and completed asset transferred agreement (for unlisted securities).

(iv) Dividend income

Dividend income is recognised when the right to receive dividend is established. Share dividends are not recognised as financial income.

(q) 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.

(r) 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, which comprise convertible bonds and share options.

(s) 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.

Related companies refer to the ultimate parent company and its subsidiaries and associates. Related parties also include funds managed by the Company.

(t) Nil balances

Items or balances required by Circular No. 125/2011/TT-BTC dated 5 September 2011 issued by the Ministry of Finance on promulgation of accounting guidance for investment fund management companies that are not shown in the interim financial statements indicate nil balances.

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4. Cash and cash equivalents

	30/6/2019	31/12/2018
	VND	VND
Cash on hand	73,451,299	153,646,738
Cash in banks	4,333,335,028	12,053,785,356
Cash equivalents (*)	44,300,000,000	127,300,000,000
	<hr/>	<hr/>
Cash and cash equivalents in the statement of cash flows	48,706,786,327	139,507,432,094
	<hr/>	<hr/>

(*) Cash equivalents as at 30 June 2019 represented term deposits at banks in VND with original terms not exceeding 3 months and earned annual interest rate of 5.5% as at 30 June 2019 (31/12/2018: 5.5%).

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5. Short-term financial investments

(a) Held-for-trading securities

	30/6/2019				31/12/2018			
	Quantity	Cost VND	Market price VND	Allowance for diminution in value VND	Quantity	Cost VND	Market price VND	Allowance for diminution in value VND
Unlisted fund certificates								
▪ VFMVF1	978,169	33,468,364,388	37,171,898,655	-	388,787	11,058,364,388	14,323,980,480	-
▪ VFMVF4	2,497,402	37,095,595,365	41,545,049,478	-	1,155,342	14,685,595,365	18,686,058,041	-
Listed shares								
▪ ACB	692,967	16,501,104,495	20,026,746,300	-	692,967	16,501,104,495	20,511,823,200	-
▪ MWG	60,006	5,330,972,512	5,568,556,800	-	178,926	16,318,265,961	15,566,562,000	751,703,961
▪ PNJ	14,500	1,153,779,596	1,058,500,000	95,279,596				
▪ CTG	200,000	4,497,368,950	3,900,000,000	597,368,950				
▪ FPT	-	-	-	-	4	-	168,800	-
▪ ROS	-	-	-	-	4	-	154,800	-
▪ VIC	-	-	-	-	4	-	381,200	-
▪ MBB	-	-	-	-	1	-	19,450	-
Unlisted shares								
▪ THA	364,444	24,781,168,540	22,231,084,000	2,550,084,540	364,444	20,954,331,200	21,866,640,000	-
		122,828,353,846	131,501,835,233	3,242,733,086	79,517,661,409	90,955,787,971	751,703,961	

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(b) Allowance for diminution in the value of held-for-trading securities

Movements in allowance for diminution in the value of held-for-trading securities during the period were as follows:

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Opening balance	751,703,961	-
Allowance made during the period (Note 28)	2,491,029,125	10,694,575,317
	<hr/>	<hr/>
Closing balance	3,242,733,086	10,694,575,317
	<hr/> <hr/>	<hr/> <hr/>

(c) Held-to-maturity investments

	Currency	Interest rate	Effective date	Maturity date	30/6/2019 VND
Certificate of deposit SHBank Finance Company Limited	VND	10.30%	26/6/2019	26/6/2020	50,000,000,000
	<hr/>				

6. Accounts receivable from customers

Accounts receivable from customers detailed by significant customers

	30/6/2019 VND	31/12/2018 VND
Tran Thi Tien	40,900,000,000	40,900,000,000
Ho Chi Minh City Securities Corporation	1,195,324,320	-
Viet Capital Securities Joint Stock Company	-	9,632,681,795
Bao Viet Securities Joint Stock Company	-	2,857,926,770
	<hr/>	<hr/>
	42,095,324,320	53,390,608,565
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the interim financial statements for the six-month period ended 30 June 2019
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7. Prepayments to suppliers

	30/6/2019	31/12/2018
	VND	VND
Do Quang Tuan	6,000,000,000	6,000,000,000
Other suppliers	259,422,080	973,157,951
	6,259,422,080	6,973,157,951

8. Receivables from management activities

	30/6/2019	31/12/2018
	VND	VND
Receivables from fund management activities – related parties (Note 30) (i):	7,465,470,692	6,952,530,235
▪ VFMVF1 - Vietnam Securities Investment Fund	1,732,698,351	1,945,636,687
▪ VFMVF4 - Vietnam Blue-Chips Fund	1,444,324,653	1,865,463,447
▪ VFMVFB - Vietnam Bond Fund	811,145,307	746,874,879
▪ E1VFN30 - VFMVN30 ETF	3,355,286,839	2,341,635,830
▪ VFMVEI - Vietnam Equities Investment Fund	50,078,776	52,919,392
▪ VFMVFC - Vietnam Capital Protection Oriented Fund	71,936,766	-
Receivables from investment management activities:	2,758,035,811	1,468,430,880
<i>Domestic entrustors</i>		
▪ THH - Tran Hoang Hai	134,595,831	94,025,686
▪ BAL - Bao Long Insurance Corporation	184,364,120	917,127
<i>Foreigner entrustors</i>		
▪ CAF - CA Asia Internet Fund I. L.P	996,762,945	788,034,205
▪ DCK - Dragon Capital Markets Limited	1,261,568,120	462,750,733
▪ PixVC - Pix Vine Capital Pte. Ltd	180,744,795	122,703,129
	10,223,506,503	8,420,961,115

- (i) Receivables from related parties for management activities were unsecured, interest free and are receivable on demand.

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9. Other short-term receivables

	30/6/2019	31/12/2018
	VND	VND
Receivables from funds under management (Note 30)	88,570,298	58,570,298
<i>In which:</i>		
▪ VFMVF1 – Vietnam Securities Investment Fund	12,684,914	12,684,914
▪ VFMVF4 – Vietnam Blue-Chips Fund	45,885,384	45,885,384
▪ VFMVFC – Vietnam Capital Protection Oriented Fund	30,000,000	-
Advances to employees	299,448,893	389,299,648
Interest income from bank deposits	182,883,561	182,509,589
Other receivables	-	11,068,001
	570,902,752	641,447,536

10. Tangible fixed assets

Six-month period ended 30 June 2019	Office equipment	Motor vehicles	Total
	VND	VND	VND
Cost			
Opening balance	10,302,564,123	1,137,759,664	11,440,323,787
Additions	1,960,941,200	-	1,960,941,200
Closing balance	12,263,505,323	1,137,759,664	13,401,264,987
Accumulated depreciation			
Opening balance	8,690,718,051	1,137,759,664	9,828,477,715
Charge for the period	428,614,379	-	428,614,379
Closing balance	9,119,332,430	1,137,759,664	10,257,092,094
Net book value			
Opening balance	1,611,846,072	-	1,611,846,072
Closing balance	3,144,172,893	-	3,144,172,893

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10. Tangible fixed assets (continued)

Six-month period ended 30 June 2018	Office equipment VND	Motor vehicles VND	Total VND
Cost			
Opening balance	9,500,659,772	1,137,759,664	10,638,419,436
Additions	346,156,000	-	346,156,000
Closing balance	9,846,815,772	1,137,759,664	10,984,575,436
Accumulated depreciation			
Opening balance	7,854,869,185	1,137,759,664	8,992,628,849
Charge for the period	400,237,386	-	400,237,386
Closing balance	8,255,106,571	1,137,759,664	9,392,866,235
Net book value			
Opening balance	1,645,790,587	-	1,645,790,587
Closing balance	1,591,709,201	-	1,591,709,201

Included in tangible fixed assets were assets costing VND8,266,931,781 which were fully depreciated as of 30 June 2019 (31/12/2018: VND8,225,791,781) but which are still in use.



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11. Intangible fixed assets

	Software	
	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Cost		
Opening balance	12,017,271,011	9,332,737,811
Additions	1,242,813,600	82,895,000
Closing balance	13,260,084,611	9,415,632,811
Accumulated amortisation		
Opening balance	4,782,822,396	3,717,723,379
Charge for the period	796,061,872	481,360,384
Closing balance	5,578,884,268	4,199,083,763
Net book value		
Opening balance	7,234,448,615	5,615,014,432
Closing balance	7,681,200,343	5,216,549,048

Included in intangible fixed assets were assets costing VND2,809,866,711 which were fully amortised as of 30 June 2019 (31/12/2018: VND2,747,394,711) but which are still in use.

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12. Construction in progress

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Opening balance	450,000,000	351,769,000
Additions	-	851,903,600
	<hr/>	<hr/>
Closing balance	450,000,000	1,203,672,600

Major constructions in progress were as follows:

	30/6/2019 VND	31/12/2018 VND
Chatbot software	450,000,000	450,000,000

13. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2019 VND	31/12/2018 VND
Rental fees	2,368,029,776	2,192,949,701
Insurance fees	229,563,419	489,556,205
Other prepaid expenses	130,405,115	57,322,794
	<hr/>	<hr/>
	2,727,998,310	2,739,828,700

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(b) Long-term prepaid expenses

Six-month period ended 30 June 2019	Golf club memberships VND	Tools and instruments VND	Total VND
Opening balance	28,181,750	897,453,461	925,635,211
Additions	-	171,011,400	171,011,400
Amortisation during the period	(28,181,750)	(451,156,259)	(479,338,009)
Closing balance	-	617,308,602	617,308,602
Six-month period ended 30 June 2018	Golf club memberships VND	Tools and instruments VND	Total VND
Opening balance	95,817,950	1,436,227,287	1,532,045,237
Additions	-	305,761,204	305,761,204
Amortisation during the period	(33,818,100)	(498,591,908)	(532,410,008)
Closing balance	61,999,850	1,243,396,583	1,305,396,433

14. Deferred tax assets

Recognised deferred tax assets

	Tax rate	30/6/2019 VND	31/12/2018 VND
<i>Recognised deferred tax assets:</i>			
Accruals expenses	20%	2,153,328,910	3,032,151,971

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15. Other long-term assets

Other long-term assets amounting to VND10,000 million related to the transfer of rights and obligations under the Contract on transferring of rights and obligations dated 19 January 2018 between the Company and Vietnam Growth Investment Fund (“VFMVF2”).

Accordingly, the Company received rights and obligations transferred from VFMVF2 under the Business Co-operation Contract No. 2407/HTKD signed by VFMVF2 and M&C Joint Stock Company (“M&C”) dated 8 November 2007 (“Contract No. 2407”) relating to the co-operation in the construction of Saigon M&C Tower Project located at 34 Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City (“the Project”) of which Sai Gon One Tower Joint Stock Company (formerly known as Saigon M&C Real Estate Joint Stock Company - a subsidiary of M&C Joint Stock Company as of the date of Contract No. 2407) was the investor.

According to Contract No. 2407, VFMVF2 contributed capital for construction of the Project in cash in exchange for a share of the output in form of floor area of apartments when the Project is completed. The Project has been suspended since 2011 and foreclosed by Vietnam Asset Management Company (VAMC) to settle, collect debts of related organisations. Accordingly, the Company has not recognised its share of the output from the jointly controlled asset under Contract No. 2407.

According to Resolution No. 06/VF2-2017/NQDH of the Annual General Meeting of VFMVF2’s Fund Unitholders dated 14 December 2017, after the dissolution of VFMVF2, the Company would carry out law suit against M&C due to the breach of contract or transfer this asset to third party. In case of the third-party payment or the compensation received by the Company from M&C higher than VND10,000 million, the Company would pay the surplus to the Fund Unitholders of VFMVF2 based on capital ratio after deducting the cost of transferring, lawsuit or collections.

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16. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers

	30/6/2019		31/12/2018	
	Cost VND	Amount within payment capacity VND	Cost VND	Amount within payment capacity VND
Wisdom Communications Joint Stock Company	995,226,448	995,226,448	267,972,192	267,972,192
Bualuang Securities Public Company Limited	427,618,564	427,618,564	-	-
KPMG Limited	208,044,400	208,044,400	319,720,000	319,720,000
Ho Chi Minh City Securities Corporation	23,655,000	23,655,000	23,655,000	23,655,000
Saigon Securities Incorporation	80,000	80,000	113,170,603	113,170,603
Viettel-CHT Company Limited	-	-	253,189,200	253,189,200
Other suppliers	18,445,410	18,445,410	80,816,147	80,816,147
	1,673,069,822	1,673,069,822	1,058,523,142	1,058,523,142

17. Taxes and others payable to State Treasury

	31/12/2018 VND	Incurred VND	Paid VND	30/6/2019 VND
Corporate income tax	14,225,900,325	620,466,938	(12,422,881,248)	2,423,486,015
Personal income tax	849,336,873	3,851,522,895	(4,150,324,397)	550,535,371
Foreign contractor tax	-	72,890,470	(56,640,636)	16,249,834
Other taxes	(7,035,393)	649,628,320	(641,881,634)	711,293
	15,068,201,805	5,194,508,623	(17,271,727,915)	2,990,982,513

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18. Accrued expenses

	30/6/2019	31/12/2018
	VND	VND
Performance bonus	8,411,038,196	10,062,610,929
Incentive bonus	2,355,606,351	5,098,148,919
13 th month salary	1,098,089,298	-
Referral fee	443,447,106	407,795,532
Others	81,278,391	545,308,766
	<hr/>	<hr/>
	12,389,459,342	16,113,864,146
	<hr/>	<hr/>

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19. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Financial reserve VND	Reserve to supplement charter capital VND	Retained profits VND	Total VND
Balance at 1 January 2019	229,512,030,000	(60,690,000,000)	(14,740,000,000)	11,795,121,636	3,756,848,318	110,910,443,072	280,544,443,026
Net profit for the period	-	-	-	-	-	5,634,487,341	5,634,487,341
Cancellation of treasury shares (Note 20(i))	(14,740,000,000)	-	14,740,000,000	-	-	-	-
Appropriation to financial reserve	-	-	-	281,724,367	-	(281,724,367)	-
Appropriation to reserve to supplement charter capital	-	-	-	-	281,724,367	(281,724,367)	-
Balance at 30 June 2019	214,772,030,000	(60,690,000,000)	-	12,076,846,003	4,038,572,685	115,981,481,679	286,178,930,367
Balance at 1 January 2018	229,512,030,000	(60,690,000,000)	(60,690,000,000)	9,553,295,993	1,515,022,675	70,557,581,500	189,757,930,168
Net profit for the period	-	-	-	-	-	36,905,554,714	36,905,554,714
Treasury shares issued (Note 20)	-	-	45,950,000,000	-	-	-	45,950,000,000
Appropriation to financial reserve	-	-	-	1,845,277,736	-	(1,845,277,736)	-
Appropriation to reserve to supplement charter capital	-	-	-	-	1,845,277,736	(1,845,277,736)	-
Balance at 30 June 2018	229,512,030,000	(60,690,000,000)	(14,740,000,000)	11,398,573,729	3,360,300,411	103,772,580,742	272,613,484,882

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20. Share capital

The Company's authorised and issued share capital were as follows:

	30/6/2019		31/12/2018	
	Number of shares	Par value VND	Number of shares	Par value VND
Authorised share capital	21,477,203	214,772,030,000	22,951,203	229,512,030,000
Issued share capital – Ordinary shares	21,477,203	214,772,030,000	22,951,203	229,512,030,000
Treasury shares – Ordinary shares (i)	-	-	(1,474,000)	(14,740,000,000)

Structure of the shareholders at the reporting date as follows:

	30/6/2019 and 31/12/2018		
	Number of shares	Par value VND	Percentage of equity owned (%)
Shares currently in circulation – Ordinary shares			
Shareholders are:			
▪ Dragon Capital Investment Management Limited	8,466,952	84,669,520,000	39.42
▪ Dragon Capital (Markets) Europe Limited	2,779,136	27,791,360,000	12.94
▪ Saigon Thuong Tin Commercial Joint Stock Bank	2,354,548	23,545,480,000	10.96
▪ Ho Chi Minh City Securities Corporation	2,180,364	21,803,640,000	10.15
▪ The Company's employees	1,051,203	10,512,030,000	4.90
▪ Other individuals	4,645,000	46,450,000,000	21.63
	21,477,203	214,772,030,000	100.00

Dragon Capital Investment Management Limited and Dragon Capital (Markets) Europe Limited are incorporated in the British Virgin Islands and the United Kingdom, respectively. Dragon Capital Group Limited, the ultimate parent company, is incorporated in the British Virgin Islands. Saigon Thuong Tin Commercial Joint Stock Bank and Ho Chi Minh Securities Corporation are incorporated in Vietnam.

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company's shareholders. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company (treasury shares), all rights are suspended until those shares are reissued.

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- (i) Movements in treasury shares during the period are as follows:

	Six-month period ended 30/6/2019		Six-month period ended 30/6/2018	
	Number of shares	VND	Number of shares	VND
Opening balance	1,474,000	14,740,000,000	6,069,000	60,690,000,000
Treasury shares issued during the period (*)	-	-	(4,595,000)	(45,950,000,000)
Treasury shares cancelled during the period (**)	(1,474,000)	(14,740,000,000)	-	-
Closing balance	-	-	1,474,000	14,740,000,000

(*) At the meeting on 27 November 2017, the Board of Management of the Company approved to reissue 4,595,000 at a par value of VND10,000/treasury shares.

(**) At the extraordinary Annual General Meeting on 11 December 2018, the General Meeting of Shareholders approved the application for decreasing charter capital by cancelling 1,474,000 shares at par value of VND10,000/share. For the period ended 30 June 2019, the Company submitted application form to State Security Commission of Vietnam. On 30 January 2019, the Company had received the amended Investment License No. 06/GPDC-UBCK with the charter capital of VND214,772 million.

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21. Off balance sheet items

(a) Lease commitments

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

	30/6/2019	31/12/2018
	VND	VND
Within one year	4,386,927,907	4,605,811,636
Within two to five years	3,337,040,000	5,222,525,636
	7,723,967,907	9,828,337,272

(b) Foreign currencies

	30/6/2019		31/12/2018	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	381	8,024,513	440	8,024,513

(c) Capital expenditure commitments

	30/6/2019	31/12/2018
	VND	VND
Approved and contracted	2,040,179,200	2,232,992,800

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22. Cash in banks of entrustors

Cash in banks of entrustors included cash in banks of the following entrustors:

	30/6/2019	31/12/2018
	VND	VND
Domestic entrustors		
BAL – Bao Long Insurance Corporation (i)	1,047,847,331	25,299,900,000
THH – Tran Hoang Hai (ii)	616,830,912	586,237,993
	<hr/> 1,664,678,243	<hr/> 25,886,137,993
Foreign entrustors		
CAF – CA Asia Internet Fund I. L.P (iii)	2,140,916,633	24,147,349,175
PixVC – Pix Vine Capital Pte. Ltd (iv)	129,911,709	131,962,978
DCK – Dragon Capital Markets Limited (v)	7,259,009	10,243,979
	<hr/> 2,278,087,351	<hr/> 24,289,556,132
	<hr/> 3,942,765,594	<hr/> 50,175,694,125

Details of movements in cash in banks of entrustors during the period were as follows:

(i) BAL

	Six-month	Six-month
	period ended	period ended
	30/6/2019	30/6/2018
	VND	VND
Opening balance	25,299,900,000	10,721,662,269
Increase during the period	67,341,087,124	30,083,389,271
<i>Deposits at maturity</i>	65,137,602,739	-
<i>Cash receipts from sales of securities</i>	1,776,456,312	29,629,857,900
<i>Dividends received</i>	422,000,000	96,000,000
<i>Interest income received</i>	5,028,073	9,131,371
<i>Other receivables</i>	-	348,400,000
Decrease during the period	(91,593,139,793)	(26,324,831,375)
<i>Term deposits</i>	(68,000,000,000)	-
<i>Payments for purchases of securities</i>	(23,575,193,657)	(25,831,544,500)
<i>Custody fees</i>	(8,454,066)	(11,295,153)
<i>Bank charges</i>	(9,492,070)	(15,280,136)
<i>Brokerage fees</i>	-	(47,656,386)
<i>Deposits for purchases of shares</i>	-	(348,400,000)
<i>Others</i>	-	(70,655,200)
	<hr/> 1,047,847,331	<hr/> 14,480,220,165

Vietnam Investment Fund Management Joint Stock Company
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(ii) THH

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Opening balance	586,237,993	5,000,737,500
Increase during the period	32,774,536	18,621,079,592
<i>Dividend received</i>	32,190,372	75,525,000
<i>Interest income received</i>	584,164	6,010,392
<i>Cash receipts from disposal of securities</i>	-	8,351,944,200
<i>Cash receipts from entrustor</i>	-	10,000,000,000
<i>Others</i>	-	187,600,000
Decrease during the period	(2,181,617)	(15,908,977,432)
<i>Custody fees</i>	(2,126,617)	(3,342,276)
<i>Bank charges</i>	(55,000)	(5,799,845)
<i>Deposits for purchases of shares</i>	-	(187,600,000)
<i>Brokerage fees</i>	-	(14,764,567)
<i>Payments for purchases of securities</i>	-	(15,639,912,500)
<i>Payments for personal income tax relating to sales of securities</i>	-	(8,351,944)
<i>Others</i>	-	(49,206,300)
Closing balance	616,830,912	7,712,839,660

(iii) CAF

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Opening balance	24,147,349,175	30,895,759,676
Increase during the period	14,726,808	20,699,202,017
<i>Interest income received</i>	14,726,808	42,782,762
<i>Cash receipts from disposal of securities</i>	-	20,656,419,255
Decrease during the period	(22,021,159,350)	(186,179,284)
<i>Withdrawal of investment capital by entrustor</i>	(22,000,000,000)	-
<i>Custody fees</i>	(21,016,350)	(34,068,699)
<i>Bank charges</i>	(143,000)	(188,485)
<i>Others</i>	-	(151,922,100)
Closing balance	2,140,916,633	51,408,782,409

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(iv) PixVC

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Opening balance	131,962,978	25,971,862
Increase during the period	126,312	2,640,897,641
<i>Interest income received</i>	126,312	2,492,201
<i>Cash receipts from disposal of securities</i>	-	2,638,405,440
Decrease during the period	(2,177,581)	(3,989,664)
<i>Custody fees</i>	(2,045,581)	(3,857,664)
<i>Bank charges</i>	(132,000)	(132,000)
Closing balance	129,911,709	2,662,879,839

(v) DCK

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Opening balance	10,243,979	6,503,237
Increase during the period	189,095,546,214	7,600,237,083
<i>Cash receipts from disposal of securities</i>	189,094,500,000	-
<i>Interest income received</i>	1,046,214	4,817,083
<i>Dividends received</i>	-	7,595,420,000
Decrease during the period	(189,098,531,184)	(7,548,593,121)
<i>Withdrawal of dividends by entrustor</i>	-	(6,895,420,000)
<i>Withdrawal of investment capital by entrustor</i>	(189,094,500,000)	-
<i>Custody fees</i>	(2,876,184)	(18,257,086)
<i>Bank charges</i>	(1,155,000)	(1,503,377)
<i>Management fee</i>	-	(592,412,658)
<i>Others</i>	-	(41,000,000)
Closing balance	7,259,009	58,147,199

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23. Investment portfolio of entrustors

	30/6/2019	31/12/2018
	VND	VND
Domestic entrustors	33,681,941,657	11,530,998,000
Listed securities	23,621,941,657	4,510,998,000
Unlisted securities	10,060,000,000	7,020,000,000
Foreign entrustors	99,996,345,195	289,090,845,196
Unlisted securities	99,996,345,195	289,090,845,196
	<hr/>	<hr/>
	133,678,286,852	300,621,843,196
	<hr/>	<hr/>

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Details of investment portfolio held on behalf of entrustors were as follows:

	30/6/2019				31/12/2018				
	Code	Quantity	Cost VND	Market price VND	Allowance VND	Code	Quantity VND	Market price VND	Allowance VND
Listed securities									
▪ Mobile World Investment Corporation	MWG	84,000	7,397,524,668	7,795,200,000	-	-	-	-	-
▪ Military Commercial Joint Stock Bank	MBB	235,000	5,162,231,750	4,911,500,000	(250,731,750)	-	-	-	-
▪ FPT Group	FPT	110,000	4,484,270,332	5,005,000,000	-	-	-	-	-
▪ Phu Nhuan Jewelry Joint Stock Company	PNJ	46,666	3,491,166,907	3,406,618,000	(84,548,907)	-	-	-	-
▪ Nam Long Investment Joint Stock Company	NLG	110,241	3,086,748,000	3,208,013,100	-	110,241	3,086,748,000	2,844,217,800	(242,530,200)
▪ Vietnam Technological and Commercial Joint Stock Bank	TCB	-	-	-	-	67,500	1,424,250,000	1,744,875,000	-
Unlisted securities									
▪ Sakkara Asia Pacific Project Holdings and Investment Real Estate	SAKKARA	1,898,650	58,697,101,513	Not yet determined	determined	1,898,650	58,697,101,513	Not yet determined	Not yet determined
▪ NCT Corporation	NCT	9,602	12,609,600,000	Not yet determined	determined	9,602	12,609,600,000	Not yet determined	Not yet determined
▪ Vexere Joint Stock Company	Vexere	3,014	11,433,677,552	Not yet determined	determined	3,014	11,433,677,552	Not yet determined	Not yet determined
▪ Vietnam Compare Joint Stock Company	VNC	116,559	10,592,852,464	Not yet determined	determined	116,559	10,592,852,464	Not yet determined	Not yet determined
▪ Ricons Construction Investment Joint Stock Company	RICONS	58,500	7,020,000,000	4,972,500,000	(2,047,500,000)	58,500	7,020,000,000	5,382,000,000	(1,638,000,000)
▪ Tiki Corporation	Tiki	696,557	6,663,113,666	Not yet determined	determined	696,557	6,663,113,667	Not yet determined	Not yet determined
▪ Truong Hai Auto Corporation	THA	40,000	3,040,000,000	2,440,000,000	(600,000,000)	-	-	Not yet determined	Not yet determined
▪ Pacifico Energy Vietnam Joint Stock Company	PACIFICO	-	-	Not yet determined	determined	13,073,200	189,094,500,000	Not yet determined	Not yet determined
			<u>3,408,789</u>	<u>133,678,286,852</u>			<u>16,033,823</u>	<u>300,621,843,196</u>	

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The par value of unlisted securities were as follows:

	30/6/2019	31/12/2018
	VND	VND
Unlisted securities	2,822,882,000	160,338,234,400

The Company has not determined fair values of the unlisted securities held on behalf of entrustors 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 the Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, Circular No. 125/2011/TT-BTC. The fair values of these investments may differ from their carrying amounts.

24. Receivables of entrustors

	30/6/2019	31/12/2018
	VND	VND
Interest income from term deposits at banks	12,657,534	-

25. Payables of entrustors

	30/6/2019	31/12/2018
	VND	VND
Investment management fee	2,758,035,811	1,468,430,880
Custody fees	70,066,534	16,948,202
	2,828,102,345	1,485,379,082

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26. Net revenue

Net revenue represents the gross invoiced value of services rendered exclusive of value added tax.

Net revenue comprised:

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Management fees		
▪ Fund management activities (i)	39,217,470,175	42,516,682,021
▪ Entrusted investment management (ii)	1,289,604,931	925,698,530
Revenue from redemption of fund certificates (iii)	6,991,133,866	21,048,007,739
Revenue from subscription of fund certificates (iii)	273,256,286	13,850,714,866
	<hr/>	<hr/>
	47,771,465,258	78,341,103,156

- (i) The Company currently manages VFMVF1, VFMVF2, VFMVF4, VFMVFA, VFMVFB, VFMVEI, VFMVFC and E1VFN30 which are investment funds incorporated in Vietnam. In which, VFMVF2 had been dissolved on 7 May 2019 and VFMVFA are in the liquidation process. Details of these funds were as follows:

Short name	Principal activity	Business Registration Certificate	Net asset value as at 30/6/2019 VND
VFMVF1	Investment fund	No. 05/GCN-UBCK dated 8 October 2013	1,004,421,269,031
VFMVF2	Investment fund	No. 08/UBCK-TLQTV dated 13 December 2006	-
VFMVF4	Investment fund	No. 06/GCN-UBCK dated 16 December 2013	771,296,571,535
VFMVFA	Investment fund	No. 03/UBCK-GCN dated 18 April 2013	184,333,159
VFMVFB	Investment fund	No. 04/GCN-UBCK dated 10 June 2013	539,903,470,854
VFMVEI	Investment fund	No. 31/GCN-UBCK dated 2 March 2018	51,471,366,168
VFMVFC	Investment fund	No. 36/GCN-UBCK dated 3 April 2019	60,112,740,613
E1VFN30	Exchange-traded fund	No. 14/GCN-UBCK dated 18 September 2014	6,578,922,847,211

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The Company is entitled to receive management fees from VFMVF1, VFMVF4, VFMVFB, VFMVEI, VFMVFC and E1VFN30 as follows:

Fund	Management fees
VFMVF1	1.95% of net asset value per year
VFMVF4	1.93% of net asset value per year
VFMVFB	0.90% of net asset value per year
VFMVEI	1.20% of net asset value per year
VFMVFC	1.20% of net asset value per year
E1VFN30	0.65% of net asset value per year

In accordance with the charter of VFMVF2, the Company is entitled to receive a monthly management fee in arrears equal to one twelfth of one percent (1%) of charter capital of VFMVF2. The Company also agreed not to receive any monthly management fee from VFMVF2 starting from 13 December 2011 if VFMVF2's net asset value is less than VND10,000. However if VFMVF2's net asset value is subsequently greater than VND10,000, VFMVF2 is obliged to refund all management fee in relation to such period to the Company. For the six-month period ended 30 June 2019, the Company did not recognise management fee from VFMVF2 as the fund had been dissolved on 7 May 2019.

In accordance with the charter of VFMVF4, the Company is entitled to receive a monthly management fee in arrears equal to one twelve of 1.78% net asset value of VFMVF4. According to 2016 Resolution of Investors General Meeting and 2017 Extraordinary General Meeting dated 13 February 2017, the Company agreed not to receive any monthly management fee from VFMVF4 from 17 March 2017.

- (ii) The Company also entered into entrusted investment contracts under which the Company is entitled to receive management fee and performance fee. The performance fee is received only if certain conditions as stated in the entrusted investment contracts are met. There were no performance fees receivable from entrustors for the six-month period ended 30 June 2019 as the conditions have not been met (six-month period ended 30 June 2018: nil).
- (iii) The Company is also entitled to receive fees from subscription and redemption of fund certificates as below:

Fund	Total subscription fee	Total redemption fee
VFMVF1	0.25% - 0.75% of subscription amount	0.00% - 1.50% of fund certificates value
VFMVF4	0.25% - 0.75% of subscription amount	0.00% - 1.50% of fund certificates value
VFMVFB	0.25% - 0.75% of subscription amount	0.00% - 1.50% of fund certificates value
VFMVEI	0.00% - 3.00% of subscription amount	0.00% of fund certificates value
VFMVFC	0.00% - 0.20% of subscription amount	0.00% - 2.00% of fund certificates value
E1VFN30	0.00% of subscription amount	0.00% - 0.15% of fund certificates value

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27. Financial income

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Interest income from bank deposits and certificate of deposits	3,847,156,861	65,122,782
Gains from disposals of Government bonds	730,834,424	-
Dividend income	687,457,800	975,762,800
Gains from disposals of listed shares and listed fund certificates	337,042,166	10,918,482,201
Gains from disposals of unlisted shares	-	44,127,039,265
Gains from disposals of listed derivatives – future contracts	-	2,700,562,000
	5,602,491,251	58,786,969,048

28. Financial expenses

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Allowance made for diminution in the value of held-for-trading securities (Note 5(b))	2,491,029,125	10,694,575,317
Losses from disposals of Government bonds	1,553,297,200	21,130,074,710
Losses from disposals of listed shares	226,481,751	5,886,844,748
Losses from disposals of unlisted shares	4,912,802,660	-
Brokerage fees	91,713,550	491,054,803
Losses from disposals of listed derivatives – future contracts	-	997,270,000
Bank charges	48,568,327	76,047,266
	9,323,892,613	39,275,866,844

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29. General and administration expenses

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Staff costs	19,356,733,827	23,463,078,808
Office expenses	6,418,011,447	5,306,106,629
Customer referral fees	3,299,943,435	8,322,504,663
Information inquiry expenses	457,590,232	5,471,728,794
Advertising expenses	1,959,079,866	4,297,700,787
Expenses for business trips and transportation	2,176,567,276	1,839,447,292
Entertainment expenses	1,026,692,947	1,210,490,890
Depreciation and amortisation	1,224,676,251	881,597,770
Gift expenses	386,290,200	498,305,124
Professional fees	335,071,000	352,143,185
Training and seminar expenses	81,840,000	119,270,267
Others	193,790,075	341,578,816
	<hr/>	<hr/>
	36,916,286,556	52,103,953,025
	<hr/>	<hr/>

30. Corporate income tax

(a) Recognised in the statement of income

	Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND
Current tax expense		
Current year	620,466,938	10,087,597,134
Deferred income tax expense/(benefit)		
Origination and reversal of temporary differences	878,823,061	(431,899,513)
	<hr/>	<hr/>
Income tax expense	1,499,289,999	9,655,697,621
	<hr/>	<hr/>

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(b) 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	7,133,777,340	46,561,252,335
Tax at the Company's tax rate	1,426,755,468	9,312,250,467
Non-deductible expenses	210,026,091	538,599,714
Tax exempt income (*)	(137,491,560)	(195,152,560)
	1,499,289,999	9,655,697,621

(*) Tax exempt income relates to dividend income.

(c) Applicable tax rates

Under the prevailing Corporate Income Tax Law, the Company has an obligation to pay the corporate income tax at the rate of 20% of taxable profits.

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31. Significant transactions with related parties

	Nature of transaction	Transaction value		Balance outstanding as at	
		Six-month period ended 30/6/2019 VND	Six-month period ended 30/6/2018 VND	30/6/2019 VND	31/12/2018 VND
Funds under the Company's management					
▪ VFMVF1	Management fee	10,185,775,622	13,432,576,073	1,586,307,900	1,841,472,011
	Subscription fee	115,604,333	4,015,351,265	90,066,000	7,970,757
	Redemption fee	1,671,919,976	6,757,939,705	56,324,451	96,193,919
	Payments on behalf	-	-	12,684,914	12,684,914
▪ VFMVF2	Transfer of rights and obligations relating to the BCC on a real estate project from the related party (Note 15)	-	10,000,000,000	-	-
▪ VFMVF4	Management fee	8,452,214,925	12,630,970,732	1,218,520,171	1,635,286,768
	Subscription fee	106,470,648	9,038,852,418	92,832,000	3,055,604
	Redemption fee	2,721,113,000	11,740,553,056	132,972,482	271,468,335
	Payments on behalf	-	-	45,885,384	45,885,384
	Receipts on behalf	-	(44,347,260)	-	(44,347,260)
▪ VFMVFB	Management fee	2,768,311,776	1,735,007,344	411,516,373	507,667,721
	Subscription fee	227,775,090	736,511,183	936,000	86,772,400
	Redemption fee	2,550,861,904	2,653,405,107	398,692,934	152,434,758
▪ EIVFVN30	Management fee	17,331,965,258	14,451,949,830	3,355,286,839	2,341,635,830

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	Nature of transaction	Transaction value		Balance outstanding as at	
		Six-month period ended	Six-month period ended	30/6/2019	31/12/2018
		30/6/2019	30/6/2018	VND	VND
▪ VFMVEI	Management fee	310,133,872	266,178,042	50,643,798	53,059,392
	Subscription fee	-	60,000,000	-	-
	Payments on behalf	-	1,880,000	-	-
	Receipts on behalf	-	(5,400,000)	(565,022)	(140,000)
▪ VFMVFC	Management fee	169,068,722	-	58,775,277	-
	Subscription fee	3,406,215	-	2,020,215	-
	Redemption fee	47,238,986	-	11,141,274	-
	Receipts on behalf	30,000,000	-	30,000,000	-
Other related company					
▪ Dragon Capital Markets Limited	Management fee	798,817,387	243,575,068	1,261,568,120	462,750,733

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32. Earnings per share

(a) 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 for the six-month period ended 30 June 2019 of VND5,634,487,341 (for the six-month period ended 30 June 2018: VND36,905,554,714) and the weighted average number of ordinary shares outstanding of 21,477,203 shares (for the six-month period ended 30 June 2018: 20,825,471 shares), details 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 attributable to ordinary shareholders	5,634,487,341	36,905,554,714

(ii) Weighted average number of ordinary shares

	Six-month period ended 30/6/2019 Shares	Six-month period ended 30/6/2018 Shares
Issued ordinary shares brought forward	21,477,203	16,882,203
Effect of treasury shares reissued during the period	-	3,943,268
Weighted average number of ordinary shares for the period	21,477,203	20,825,471

(iii) Basic earnings per share

	Six-month period ended 30/6/2019	Six-month period ended 30/6/2018
Basic earnings per share	262	1,772

(b) Diluted earnings per share

At the reporting date, the Company does not have potential ordinary shares, therefore the disclosure of diluted earnings per share is not applicable.

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33. Financial risk management

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

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

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from deposits in banks, held-to-maturity investments and receivables.

(i) Exposure to credit risk

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

	Note	30/6/2019 VND	31/12/2018 VND
Cash in banks and cash equivalents	(ii)	48,633,335,028	139,353,785,356
Held-to-maturity investments	(iii)	50,000,000,000	-
Accounts receivable from customers	(iv)	42,095,324,320	53,390,608,565
Receivables from management activities	(iv)	10,223,506,503	8,420,961,115
Other receivables	(iv)	271,453,859	252,147,888
		151,223,619,710	201,417,502,924

(ii) Cash in banks and cash equivalents

Cash in banks and cash equivalents of the Company are mainly held with well-known financial institutions. The Board of Directors does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Company.

(iii) Held-to-maturity investments

Held-to-maturity investments include certificates of deposits issued by prestigious financial institutions. Board of Directors did not foresee any material credit risks in these certificates of deposits and was not under the impression that these institutions would default and result in losses to the Company.

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(iv) Accounts receivable from customers, receivables from management activities and other receivables

Accounts receivable from customers, receivables from management activities and other receivables mainly include receivables from disposals of investments, receivables from fund management activities, and interest receivables from term deposits and certificate of deposits. Credit risk in relation to receivables from fund management activities is considered minimal as these are receivables from funds under management of the Company. Receivables from disposals of securities represent sale transactions awaiting settlement. Credit risk in relation to unsettled transactions is considered minimal due to short settlement period involved. The Board of Directors believes that those receivables are of high credit quality.

The maximum exposure to credit risk faced by the Company is equal to the carrying amounts of cash in banks and cash equivalents, short-term financial investments, accounts receivable from customers, receivables from management activities and other receivables.

No receivables as of 30 June 2019 and 31 December 2018 were past due or impaired.

(b) 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:

As at 30 June 2019

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Accounts payable to suppliers	1,673,069,822	1,673,069,822	1,673,069,822
Accrued expenses	12,389,459,342	12,389,459,342	12,389,459,342
Other payables	2,092,352,956	2,092,352,956	2,092,352,956
	16,154,882,120	16,154,882,120	16,154,882,120

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As at 31 December 2018

	Carrying amount VND	Contractual cash flows VND	Within 1 year VND
Accounts payable to suppliers	1,058,523,142	1,058,523,142	1,058,523,142
Accrued expenses	16,113,864,146	16,113,864,146	16,113,864,146
Other payables	2,017,666,359	2,017,666,359	2,017,666,359
	19,190,053,647	19,190,053,647	19,190,053,647

(c) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in market interest rates.

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 in banks	4,333,335,028	12,053,785,356
Cash equivalents	44,300,000,000	127,300,000,000
Held-to-maturity investments	50,000,000,000	-

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rate.

As at 30 June 2019 and 31 December 2018, the Company is not significantly exposed to currency risk as the Company's assets and liabilities are mainly denominated in Vietnam Dong which is the Company's functional currency.

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(iii) Equity price risk

Equity price risk is the risk that the value of financial instruments decrease as a result of the fluctuation in share price and securities market value.

The Company invests in fund certificates and shares listed on the HOSE, shares registered for trading on UPCOM, unlisted shares and unregistered share and VN30 Index future contracts. Their values are affected by market price risk arising from the uncertainty in the fluctuation of the future market value of these securities. Equity price risk is managed by the Company by diversifying the investment portfolio and careful selection of securities within specified limits.

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(d) Fair value of financial assets and liabilities

Fair value is the value that would be received to sell an asset or paid to transfer a liability at the valuation date.

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

	30/6/2019		31/12/2018	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Financial assets				
<i>Categorised as held-to-maturity investments</i>				
▪ Certificates of deposits	50,000,000,000	50,000,000,000	-	-
<i>Categorised as financial assets at fair value through profit or loss</i>				
▪ Held-for-trading securities	119,585,620,760	131,501,835,233	78,765,957,448	90,955,787,971
<i>Categorised as loans and receivables:</i>				
▪ Cash and cash equivalents	48,706,786,327	48,706,786,327	139,507,432,094	139,507,432,094
▪ Accounts receivable from customers	42,095,324,320	42,095,324,320	53,390,608,565	53,390,608,565
▪ Receivables from management activities	10,223,506,503	10,223,506,503	8,420,961,115	8,420,961,115
▪ Other receivables	271,453,859	271,453,859	252,147,888	325,447,882
Financial liabilities				
<i>Categorised as financial liabilities carried at amortised cost:</i>				
▪ Accounts payable to suppliers	(1,673,069,822)	(1,673,069,822)	(1,058,523,142)	(1,058,523,142)
▪ Accrued expenses	(12,389,459,342)	(12,389,459,342)	(16,113,864,146)	(16,113,864,146)
▪ Other payables	(2,092,352,956)	(2,092,352,956)	(2,017,666,359)	(2,017,666,359)

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Basis for determining fair value

Held-for-trading securities

For listed securities on the Stock Exchanges and securities registered for trading (shares registered for trading on UPCOM), fair value is the closing price on the last trading date before the end of the accounting period.

For unlisted securities and securities not yet registered for trading, fair value is the average of quoted prices provided by three securities companies and transacted on the last trading date before the end of the accounting period but not exceed one month before the the end of the accounting period.

Other financial instruments

Fair values of the Company's other financial assets and liabilities approximate their carrying amounts as at 30 June 2019 and 31 December 2018 due to the short maturities of these financial instruments.

34. Changes in accounting estimates

In preparing these interim financial statements and annual financial statement, the Board of Directors has made several accounting estimates. Actual results may differ from these estimates. There is no significant changes in accounting estimates for the six-month period ended 30 June 2019 compared to those made in the most recent annual financial statements or those made in the most recent interim period.

35. Unusual items


There was no significant unusual items which affect the Company's interim financial statements for the six-month period ended 30 June 2019.

36. Changes in the Company's composition

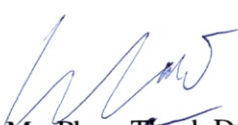
There were no significant changes in the Company's composition since the end of the last annual accounting period which affect the Company's interim financial statements for the six-month period ended 30 June 2019.

14 August 2019

Prepared by:


Mr. Nguyen Huu Tuan
General Accountant

Approved by:


Mr. Pham Thanh Dung
Chief Accountant


Mr. Tran Thanh Tan
Chief Executive Officer