

Ho Chi Minh City Securities Corporation

Report of the Board of Directors
and audited financial statements

At 31 December 2013



Ho Chi Minh City Securities Corporation

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Ho Chi Minh City Securities Corporation

GENERAL INFORMATION

THE COMPANY

Ho Chi Minh City Securities Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 4103001573 issued by the Ho Chi Minh City Department of Planning and Investment on 23 April 2003, Business License No. 11/UBCK-GPHDKD issued by the State Securities Commission on 29 April 2003, and other amended licenses.

The current principal activities of the Company are brokerage services, securities trading, underwriting for share issues, custodian services, finance and investment advisory services, and margin trading services.

The Company's head office is located at 5th and 6th Floor, AB Tower, 76 Le Lai Street, Ben Thanh Ward, District 1, Ho Chi Minh City. At 31 December 2013, the Company had two branches located in Ho Chi Minh City and Hanoi, and transaction offices in Ho Chi Minh City and Hanoi.

THE BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Do Hung Viet	Chairman	Appointed on 8 April 2011
Mr. Le Anh Minh	Vice Chairman	Reappointed on 8 April 2011
Mr. Nguyen Thanh Liem	Vice Chairman	Appointed on 8 April 2011
Mr. Pham Nghiem Xuan Bac	Member	Reappointed on 8 April 2011
Mr. Hoang Dinh Thang	Member	Reappointed on 8 April 2011
Mr. Johan Nyvene	Member	Reappointed on 8 April 2011
Mr. Trinh Hoai Giang	Member	Appointed on 8 April 2011

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mr. Vo Van Chau	Supervisory Chief	Reappointed on 8 April 2011
Mr. Doan Van Hinh	Member	Reappointed on 8 April 2011
Ms. Dang Nguyet Minh	Member	Appointed on 26 April 2013

MANAGEMENT

Members of management during the year and at the date of this report are:

Mr. Johan Nyvene	Chief Executive Officer	Appointed on 15 May 2007
Mr. Trinh Hoai Giang	Deputy Chief Executive Officer	Appointed on 15 May 2007
Mr. Le Cong Thien	Deputy Chief Executive Officer	Appointed on 12 August 2013
Mr. Johan Kruimer	Managing Director	Appointed on 26 July 2007
Mr. Fiachra Mac Cana	Managing Director	Appointed on 1 March 2008
Mr. Bach Quoc Vinh	Managing Director	Appointed on 1 February 2010
Mr. Trinh Thanh Can	Managing Director	Appointed on 12 July 2011
Mr. Arnold V. Pangilinan	Managing Director	Appointed on 12 November 2012

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Johan Nyvene, the Chief Executive Officer.

AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited.

Ho Chi Minh City Securities Corporation

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Ho Chi Minh City Securities Corporation ("the Company") is pleased to present its report and the financial statements of the Company as at and for the year ended 31 December 2013.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the state of affairs of the Company and of the Company's results of operations, its cash flows and its changes in equity for the year. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements for the year ended 31 December 2013.

STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2013 and of the results of its operations, its cash flows and its changes in equity for the year then ended in accordance with the Vietnamese Accounting Standards and System and accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and comply with statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of the Board of Directors:



Mr. Johan Nyvene
Member of the Board of Directors

Ho Chi Minh City, Vietnam

7 March 2014



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28th Floor, Bitexco Financial Tower
2 Hai Trieu Street, District 1
Ho Chi Minh City, S.R. of Vietnam

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Reference: 60790272/16378373

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Ho Chi Minh City Securities Corporation

We have audited the accompanying financial statements of Ho Chi Minh City Securities Corporation ("the Company") as prepared on 7 March 2014 and set out on pages 5 to 46, which comprise the balance sheet as at 31 December 2013, and the income statement, the cash flow statement and the statement of changes in equity for the year then ended and the notes thereto.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards and System and accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and with statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2013, and of the results of its operations, its cash flows, and its changes in equity for the year then ended in accordance with Vietnamese Accounting Standards and System and accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and with the statutory requirements relevant to preparation and presentation of financial statements.

Ernst & Young Vietnam Limited



Saman Bandara
Deputy General Director
Audit Practicing Registration
Certificate No. 2036-2013-004-1



Nguyen Quoc Tuan
Auditor
Audit Practicing Registration
Certificate No. 1841-2013-004-1

Ho Chi Minh City, Vietnam

7 March 2014

BALANCE SHEET
as at 31 December 2013

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		2,768,235,282,081	2,585,109,719,671
110	I. Cash and cash equivalents	4	1,007,873,885,140	1,794,202,976,893
111	1. Cash		1,007,873,885,140	1,794,202,976,893
112	2. Cash equivalents		-	-
120	II. Short-term financial investments	6.1	352,083,430,831	152,323,020,894
121	1. Short-term investments		397,465,522,487	203,325,585,176
129	2. Provision for short-term investments		(45,382,091,656)	(51,002,564,282)
130	III. Short-term receivables	7	1,402,016,293,670	634,679,079,188
131	1. Trade receivables		1,390,133,377	1,410,917,105
132	2. Advances to suppliers		110,262,322	353,848,252
135	3. Receivables from securities trading activities		1,390,070,574,094	552,121,896,930
138	4. Other receivables		33,761,288,971	104,097,165,353
139	5. Provision for doubtful debts		(23,315,965,094)	(23,304,748,452)
150	IV. Other current assets		6,261,672,440	3,904,642,696
151	1. Short-term prepaid expenses	8	6,110,580,511	3,659,266,484
158	2. Other current assets		151,091,929	245,376,212
200	B. NON-CURRENT ASSETS		359,545,786,841	613,825,595,743
220	I. Fixed assets		7,370,462,750	11,911,394,466
221	1. Tangible fixed assets	9	5,685,717,561	9,858,897,465
222	- Cost		38,432,189,860	41,738,040,089
223	- Accumulated depreciation		(32,746,472,299)	(31,879,142,624)
227	2. Intangible fixed assets	10	1,684,745,189	2,052,497,001
228	- Cost		21,963,858,667	21,084,673,883
229	- Accumulated amortisation		(20,279,113,478)	(19,032,176,882)
250	II. Long-term investments		229,370,665,250	475,293,967,755
253	1. Long-term securities		229,370,665,250	475,293,967,755
254	- Available-for-sale securities	6.2	229,370,665,250	475,293,967,755
260	III. Other long-term assets		122,804,658,841	126,620,233,522
261	1. Long-term prepaid expenses	11	107,738,117,777	113,511,817,548
263	2. Advance to Settlement Assistance Fund	12	11,832,583,310	9,332,583,310
268	3. Other long-term assets	13	3,233,957,754	3,775,832,664
270	TOTAL ASSETS		3,127,781,068,922	3,198,935,315,414

BALANCE SHEET (continued)
as at 31 December 2013

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		880,432,875,754	1,036,421,290,135
310	I. Current liabilities		880,432,875,754	926,421,290,135
312	1. Trade payables		1,464,675,431	1,839,982,323
314	2. Statutory obligations	14	39,092,023,179	12,434,392,518
316	3. Accrued expenses	15	20,041,416,663	33,992,178,397
319	4. Other payables	16	5,646,682,698	6,060,371,210
320	5. Payables for securities trading	17	584,090,981,306	688,781,849,995
321	6. Dividend, principal and coupon payables		6,175,409,201	4,534,730,890
323	7. Bonus and welfare fund		6,443,177,708	15,582,206,561
327	8. Payables for buying/selling Government bonds	18	217,478,509,568	163,195,578,241
330	II. Non-current liabilities		-	110,000,000,000
334	1. Long-term loans and debts		-	110,000,000,000
400	B. OWNERS' EQUITY	19	2,247,348,193,168	2,162,514,025,279
410	I. Capital		2,247,348,193,168	2,162,514,025,279
411	1. Share capital		1,272,567,580,000	1,008,486,370,000
412	2. Share premium		310,343,798,499	560,834,915,000
414	3. Treasury shares		(123,551,893)	(5,165,052,464)
417	4. Investment and development fund		3,961,374,994	3,961,374,994
418	5. Financial reserve		144,626,530,513	116,409,099,437
420	6. Undistributed earnings		515,972,461,055	477,987,318,312
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,127,781,068,922	3,198,935,315,414

BALANCE SHEET (continued)
as at 31 December 2013

OFF BALANCE SHEET ITEMS

VND

Code	ITEMS	Ending balance	Beginning balance
004	1. Bad debts written-off	345,059,000	345,059,000
005	2. Foreign currencies	150,590,712	135,378,184
006	3. Custody securities	7,969,306,770,000	8,042,430,840,000
	<i>Including:</i>		
007	3.1. <i>Trading securities</i>	7,061,036,830,000	7,208,242,770,000
008	3.1.1. Trading securities of custody investors	69,110,190,000	174,413,390,000
009	3.1.2. Trading securities of local investors	6,811,983,200,000	6,810,498,330,000
010	3.1.3. Trading securities of foreign investors	179,943,440,000	223,331,050,000
012	3.2. <i>Temporarily unprocessed securities</i>	73,025,060,000	61,455,570,000
013	3.2.1. Temporarily unprocessed securities of custody investors	-	510,370,000
014	3.2.2. Temporarily unprocessed securities of local investors	70,785,060,000	57,092,950,000
015	3.2.3. Temporarily unprocessed securities of foreign investors	2,240,000,000	3,852,250,000
017	3.3. <i>Mortgaged securities</i>	257,638,210,000	387,731,900,000
019	3.3.1. Mortgaged securities of local investors	234,030,110,000	387,731,900,000
020	3.3.2. Mortgaged securities of foreign investors	23,608,100,000	-
027	3.4. <i>Securities awaiting settlement</i>	481,513,680,000	382,581,400,000
028	3.4.1. Securities awaiting settlement of custody investors	2,175,400,000	4,188,900,000
029	3.4.2. Securities awaiting settlement of local investors	478,551,280,000	377,834,500,000
030	3.4.3. Securities awaiting settlement of foreign investors	787,000,000	558,000,000
037	3.5. <i>Securities waiting for trading</i>	96,092,990,000	2,419,200,000
038	3.5.1. Securities waiting for trading of custody investors	2,798,080,000	-
039	3.5.2. Securities waiting for trading of local investors	93,077,280,000	2,226,240,000
040	3.5.3. Securities waiting for trading of foreign investors	217,630,000	192,960,000

BALANCE SHEET (continued)
as at 31 December 2013

OFF BALANCE SHEET ITEMS (continued)

VND

Code	ITEMS	Ending balance	Beginning balance
050	4. Custody securities of unlisted public companies	441,506,360,000	225,238,530,000
	<i>Including:</i>		
051	4.1. Trading securities	438,638,920,000	201,715,390,000
052	4.1.1. Trading securities of custody investors	4,584,740,000	2,934,790,000
053	4.1.2. Trading securities of local investors	425,652,930,000	196,498,330,000
054	4.1.3. Trading securities of foreign investors	8,401,250,000	2,282,270,000
056	4.2. Temporarily unprocessed securities	946,340,000	6,672,430,000
057	4.2.1. Temporarily unprocessed securities of custody investors	354,000,000	354,000,000
058	4.2.2. Temporarily unprocessed securities of local investors	592,340,000	6,318,430,000
061	4.3. Mortgaged securities	1,300,000,000	-
063	4.3.1. Mortgaged securities of local investors	1,300,000,000	-
071	4.4. Securities waiting for settlement	441,100,000	106,410,000
073	4.4.1. Securities waiting for settlement of local investors	441,100,000	106,410,000
076	4.5. Blocked securities waiting for releases	180,000,000	16,744,300,000
078	4.5.1. Blocked securities waiting for releases of local investors	180,000,000	16,744,300,000
083	5. Non-custody securities held of securities companies	47,956,980,000	49,319,920,000



Ms. Ho Thi Thu Thao
Preparer



Mr. Lam Huu Ho
Chief Financial Officer




Mr. Johan Nyvene
Chief Executive Officer

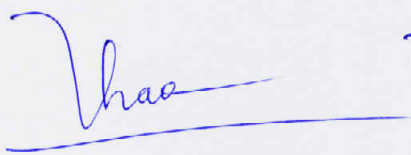
Ho Chi Minh City, Vietnam

7 March 2014

INCOME STATEMENT
for the year ended 31 December 2013

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue		634,759,577,700	562,371,939,466
	<i>In which:</i>			
01.1	Revenue from brokerage services		199,104,183,216	145,027,366,043
01.2	Revenue from securities investments		152,918,931,927	29,807,426,837
01.3	Revenue from underwriting services		2,880,000,000	-
01.4	Revenue from securities issuance services		45,954,595	768,000,000
01.5	Revenue from finance advisory services		16,399,063,998	12,771,683,832
01.6	Revenue from custodian services		3,710,638,724	3,878,980,057
01.9	Other revenue	20	259,700,805,240	370,118,482,697
02	2. Deductions		-	-
10	3. Net revenues from operating activities		634,759,577,700	562,371,939,466
11	4. Operating expenses	21	(176,670,627,586)	(165,711,574,148)
20	5. Gross profit from operating activities		458,088,950,114	396,660,365,318
25	6. General and administrative expenses	22	(83,378,406,743)	(89,973,914,786)
30	7. Net profit from operating activities		374,710,543,371	306,686,450,532
31	8. Other income		717,818,940	301,701,823
32	9. Other expenses		-	(143,958,917)
40	10. Other profit		717,818,940	157,742,906
50	11. Profit before tax		375,428,362,311	306,844,193,438
51	12. Current corporate income tax expense	23.1	(93,254,051,563)	(60,463,669,619)
60	14. Net profit after tax		282,174,310,748	246,380,523,819
70	15. Basic earnings per share	27	2,241	1,979



Ms. Ho Thi Thu Thao
Preparer



Mr. Lam Huu Ho
Chief Financial Officer




Mr. Johan Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam

7 March 2014

CASH FLOW STATEMENT
for the year ended 31 December 2013

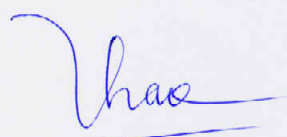
VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Net profit before tax		375,428,362,311	306,844,193,438
	2. Adjustments for:			
02	- Depreciation and amortisation	21, 22	7,824,033,495	48,685,825,446
03	- Provisions		(5,609,255,984)	1,378,982,518
05	- Profits from investing activities		(178,135,467,936)	(188,680,511,681)
06	- Interest expense		24,294,038,018	27,622,289,805
08	3. Operating profit before changes in working capital		223,801,709,904	195,850,779,526
09	- (Increase) decrease in receivables		(766,005,026,845)	931,352,981,895
10	- Increase in short-term investments		(193,959,397,311)	(54,288,592,310)
11	- (Decrease) increase in payables (other than interest, corporate income tax)		(54,208,620,750)	643,114,045,781
12	- Decrease (increase) in prepaid expenses		3,858,223,872	(26,085,179,647)
13	- Interest paid		(43,243,852,375)	(15,877,355,635)
14	- Corporate income tax paid	23.1	(68,737,158,706)	(61,287,974,741)
16	- Other cash outflows from operating activities		(11,509,544,224)	(28,673,303,708)
20	Net cash flows (used in) generated from operating activities		(910,003,666,435)	1,584,105,401,161
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase and construction of fixed assets and other long-term assets		(3,175,695,573)	(8,669,134,244)
22	2. Proceeds from disposals of fixed assets and other long-term assets		139,600,000	57,690,909
23	3. Loans to other entities and payments for purchase of debt instruments of other entities		(702,167,585,247)	(351,629,000,000)
24	4. Collections from borrowers and proceeds from sale of debt instruments of other entities		801,493,109,590	-
25	5. Payments for investments in other entities		-	(180,540,000)
26	6. Proceeds from sale of investments in other entities		190,531,576,198	-
27	7. Interest and dividends received		129,470,299,469	196,394,843,515
30	Net cash outflows generated from (used in) investing activities		416,291,304,437	(164,026,139,820)

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2013

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Capital contribution, issuance of shares, and disposal of treasury shares		19,171,415,000	10,000,000,000
	- Issuance of shares		12,000,000,000	10,000,000,000
	- Selling treasury shares		7,171,415,000	-
32	2. Capital redemption		(1,320,930)	(1,758,264)
34	3. Repayment of borrowings		(110,000,000,000)	(100,000,000,000)
36	4. Dividends paid to equity holders	19.3	(201,786,823,825)	(209,860,772,715)
40	Net cash flows used in financing activities		(292,616,729,755)	(299,862,530,979)
50	Net (decrease) increase in cash and cash equivalents during the year		(786,329,091,753)	1,120,216,730,362
60	Cash and cash equivalents at the beginning of the year	4	1,794,202,976,893	673,986,246,531
70	Cash and cash equivalents at the end of the year	4	1,007,873,885,140	1,794,202,976,893



Ms. Ho Thi Thu Thao
Preparer



Mr. Lam Huu Ho
Chief Financial Officer




Mr. Johan Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam

7 March 2014

Ho Chi Minh City Securities Corporation

B05-CTCK

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2013

VND

ITEMS	Notes	Beginning balance		Increase/decrease				Ending balance	
		Previous year	Current year	Previous year		Current year		Previous year	Current year
				Increase	Decrease	Increase	Decrease		
1. Share capital	19	998,486,370,000	1,008,486,370,000	-	-	264,081,210,000	-	1,008,486,370,000	1,272,567,580,000
2. Share premium	19	560,834,915,000	560,834,915,000	-	-	1,590,093,499	(252,081,210,000)	560,834,915,000	310,343,798,499
3. Treasury shares	19	(4,648,924,200)	(5,165,052,464)	(516,128,264)	-	(539,820,930)	5,581,321,501	(5,165,052,464)	(123,551,893)
4. Investment and development fund	19	3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Financial reserve	19	91,771,047,055	116,409,099,437	24,638,052,382	-	-	-	116,409,099,437	144,626,530,513
6. Undistributed earnings	19	378,562,918,156	477,987,318,312	246,380,523,819	(146,956,123,663)	282,174,310,748	(244,189,168,005)	477,987,318,312	515,972,461,055
TOTAL		2,028,967,701,005	2,162,514,025,279	280,502,447,937	(146,956,123,663)	575,523,224,393	(490,689,056,504)	2,162,514,025,279	2,247,348,193,168

Thao

Ms. Ho Thi Thu Thao
Preparer

Huu

Mr. Lam Huu Ho
Chief Financial Officer



Mr. Nguyen Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam

7 March 2014

NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2013

1. CORPORATE INFORMATION

Ho Chi Minh City Securities Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 4103001573 issued by the Ho Chi Minh City Department of Planning and Investment on 23 April 2003, Business License No. 11/UBCK-GPHDKD issued by the State Securities Commission on 29 April 2003, and other amended licenses.

The current principal activities of the Company are brokerage services, securities trading, underwriting for share issues, custodian services, finance and investment advisory services, and margin trading services.

The Company's head office is located at 5th and 6th Floor, AB Tower, 76 Le Lai Street, District 1, Ho Chi Minh City. At 31 December 2013, the Company had two branches located in Ho Chi Minh City and Hanoi, and transaction offices in Ho Chi Minh City and Hanoi.

The number of the Company's employees as at 31 December 2013 was 503 persons (31 December 2012: 509 persons).

2. BASIS OF PREPARATION

2.1 *Accounting Standards and System*

The financial statements of the Company expressed in Vietnam dong ("dong" or "VND"), are prepared in accordance with the Vietnamese Accounting System, accounting policies applicable to securities companies according to Circular No. 95/2008/TT-BTC dated 24 October 2008, Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

The accompanying balance sheet, income statement, cash flow statement, statement of changes in equity and related notes, including their uses are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position, results of operations, cash flows and changes in equity in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Registered accounting documentation system*

The Company's applied accounting documentation system is the General Journal system.

2.3 *Fiscal year*

The Company's fiscal year starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

The Company maintains its accounting records in VND.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies and disclosures*

The accounting policies adopted by the Company in preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2012, except for the changes in accounting policy relating to Circular No. 45/2013/TT-BTC guiding the management, use and depreciation of fixed assets.

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC guiding the management, use and depreciation of fixed assets. The Circular took effect on 10 June 2013. According to the provisions of this Circular, fixed assets must simultaneously satisfy the following three criteria:

- ▶ It is probable that future economic benefits associated with the asset will flow to the Company;
- ▶ The useful life of asset is over 1 year; and
- ▶ The cost of the asset can be measured reliably and has value of VND30 million or above.

Accordingly, the Company has ceased to depreciate the assets with value of less than VND30 million and has transferred these assets into prepaid expenses.

3.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks, investors' deposits for securities trading and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.3 *Receivables*

Receivables are initially recorded at cost and subsequently presented at cost in the following periods.

Receivables are subject to review for impairment based on their overdue status or estimated loss of undue receivables from economic entities which fall bankruptcy or are undergoing dissolution procedures; or from debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increase or decrease to the provision balance is recorded as "General and administrative expenses" in the income statement.

Provision for overdue receivables is made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance. Accordingly, the provision rates for overdue receivables are as follows:

<u>Overdue period</u>	<u>Provision rate</u>
From six (6) months to less than one (1) year	30%
From one (1) year to less than two (2) years	50%
From two (2) years to less than three (3) years	70%
From three (3) years and above	100%

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, their costs and accumulated amortisation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

3.6 *Depreciation and amortisation*

Depreciation and amortisation of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Transportation vehicles	6 years
Office equipment	3 - 5 years
Computer software	3 - 4 years

3.7 *Operating lease*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Rentals under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

3.8 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortised over the period for which the amount are paid or the period in which economic benefit are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the income statement over two (2) to forty (40) years:

- ▶ Office renovation costs;
- ▶ Office rentals; and
- ▶ Office equipment costs.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Investments in securities*

According to Circular No. 95/2008/TT-BTC issued by the Ministry of Finance on 24 October 2008, securities companies are allowed to recognise investments in securities at either cost or fair value. Accordingly, the Company has applied the cost method to recognise investments in securities.

3.9.1 *Short-term investments in securities*

They are securities which either have recovery period of within one year or held for trading purposes. These securities are initially recorded at cost, including purchased costs plus (+) transaction costs (if any) such as brokerage and transaction fee, information fee, taxes, levies and banking fees.

Accrued interest income is recognised as a deduction in carrying value of trading securities for the portion incurred before the purchasing date and as an investment income for the amount incurred since the purchasing date.

Trading securities are subject to review for impairment at each balance sheet date. Provision for impairment of trading securities is made when their carrying value is higher than market value. Provision for impairment loss is recognised in "Operating expenses" in the income statement.

3.9.2 *Long-term investments in securities*

Long-term investments in securities comprise of held-to-maturity securities and available-for-sale securities.

Held-to-maturity securities are non-derivative and have predetermined cash flows and fixed maturities and the Company has intention to hold these securities until the maturity date.

Securities shall not be classified in held-to-maturity category if during the current year or recent two years, a substantial volume of securities is sold or reclassified earlier than their maturities, unless these sales and reclassification are:

- ▶ Close to the maturity date;
- ▶ The Company recovered a majority of cost of securities according to repayment schedule or received earlier than the maturity date; or
- ▶ Subject to a non-controllable event of the Company and this event occurred one time only and unpredictably.

Available-for-sale securities are non-derivative which are not classified as neither held-to-maturity securities nor trading securities.

Long-term investments in securities are measured at cost plus transaction costs directly attributable to the acquisition. Provision for impairment is recognised in the income statement when there is sufficient objective evidence of the long-term diminution of the investments.

3.10 *Provision for impairment of short-term and long-term investment securities*

Provision for impairment of investment securities is made for individual stocks when the market values are lower than original costs. Provision amount for transferable securities is the difference between the original cost and market value of those securities at the balance sheet date in accordance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. Any increase or decrease in balance of provision is recognised to operating expenses for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Provision for impairment of short-term and long-term investment securities* (continued)

The market prices of listed securities are determined based on the quoted prices on the stock markets (which are the average prices on the Hanoi Stock Exchange and the closing prices on the Ho Chi Minh City Stock Exchange) as at 31 December 2013.

The market values of unlisted shares which are registered on the unlisted public companies market (UPCoM) are the average prices of the trading market at the date of provision.

The market values of unlisted shares which are not registered on the unlisted public companies market (UPCoM) are the average public price quotations obtained from at least three reputable and large securities companies in the market.

Other securities that have no quoted prices are carried at cost.

3.11 *Repurchase and reverse repurchase agreements*

Securities sold under agreements to repurchase at a specified future date ("repos") are not derecognised from the balance sheet. The corresponding cash received is recognised in the balance sheet as a liability, reflecting its economic substance as a loan to the Company. The difference between the sale price and repurchase price is recognised as interest expense and is accrued over the life of the agreement using the straight-line method.

Conversely, securities purchased under agreements to resell at a specified future date ("reverse repos") (if any) are not recognised in the balance sheet. The corresponding cash paid is recognised in the balance sheet as an asset. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the straight-line method. For overdue commitments, the difference shall not be accrued and recognised in the income statement when amount is actually received.

3.12 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.13 *Employee benefits*

3.13.1 *Post-employment benefits*

Post-employment benefits are paid to retired employees of the Company by the Social Insurance Agency which belongs to the Ministry of Labor and Social Affairs. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17% of an employee's basic salary on a monthly basis. The Company has no further obligation to fund the post-employment benefits of its employees, other than the liability to pay the Social Insurance Agency on a monthly basis.

3.13.2 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Any increase to the accrued amount will be taken to the income statement.

This accrued severance pay is used to settle the severance allowance to be paid to employee upon termination of their labour contract following the Labour Code.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Employee benefits* (continued)

3.13.3 *Provision for retrenchment allowance*

Retrenchment allowance occurs as a result of a constructive obligation to restructure when the Company has a detailed and formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Retrenchment allowance is provided at the rate of one month's salary for each working year up to 31 December 2008 and the minimum amount for each employee is two months' salary in accordance with the Labour Code and related implementing guidance. Increases and decreases to the provision balance are recorded as general and administrative expense in the income statement.

3.13.4 *Unemployment benefits*

According to Circular No. 04/2009/TT-BLĐTBXH and Decree No. 127/2008/ND-CP, since 1 January 2009, the Company is required to pay unemployment insurance at the rate of 1% of salary of employees who participate in the unemployment program and deduct 1% from each employee's basic salary.

3.14 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at exchange rates of banks where the Company maintains its accounts at the balance sheet date. Revenue or expenses in foreign currencies are converted into VND at exchange rates at the transaction dates. All foreign exchange differences arising from spot rates at the transaction dates and at the balance sheet date are charged to the income statement.

3.15 *Treasury shares (buy-back shares)*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

3.16 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from brokerage investment

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

Revenue from securities trading

Revenue from securities trading is recognised on the basis of the difference between cost-of-sale and selling price.

Revenue from securities repurchase and reverse repurchase agreements

Revenue from securities repurchase and reverse repurchase agreements is recognised over the life of the agreement using straight-line method.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Revenue recognition* (continued)

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividend

Income is recognised when the Company's entitlement as an investor to receive the dividend is established, except for dividend received in shares which is monitored by number of shares only.

Rendering of other services

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

3.17 *Cost of securities sold*

The Company applies the moving weighted average method to calculate cost of equity securities sold and the specific identification method to calculate cost of debt securities sold.

3.18 *Taxation*

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be used, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.19 Statutory reserves

According to Circular No. 11/2000/TT-BTC issued by the Ministry of Finance on 1 February 2000, securities companies are required to make appropriation of profit after tax to the following reserves:

	<i>Percentage of profit after tax</i>	<i>Maximum level</i>
Charter capital supplementary reserve	5%	10% of share capital
Compulsory reserve	5%	10% of share capital

Other reserves are created in accordance with the resolution of the shareholders at the Company's Annual General Meeting.

3.20 Appropriation of net profits

Net profit after tax is available for appropriation to investors after approval by the shareholders at the Annual General Meeting, and after making appropriation to reserve funds as required by the Company's Charter and Vietnam's regulatory requirements.

4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	267,071,773	261,090,054
Cash at banks	1,007,606,813,367	1,793,941,886,839
<i>In which:</i>		
- Cash of the Company	613,701,593,461	1,413,336,145,691
- Investors' deposits for securities trading (Note 17)	393,905,219,906	380,605,741,148
TOTAL	1,007,873,885,140	1,794,202,976,893

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

5. VALUE AND VOLUME OF TRADING RESULTS IN THE YEAR

	<i>Trading volume in the year (unit)</i>	<i>Trading value in the year (VND)</i>
a. Trading results of the Company	269,256,791	12,229,214,462,244
- Shares	154,516,789	1,881,409,595,541
- Bonds	114,740,002	10,347,804,866,703
b. Trading results of the investors	5,322,920,907	107,559,159,026,966
- Shares	5,097,529,311	83,432,254,374,669
- Bonds	225,391,596	24,126,904,652,297
TOTAL	<u>5,592,177,698</u>	<u>119,788,373,489,210</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

6. FINANCIAL INVESTMENTS

	Quantity (Unit)	Cost	Compared to the market value		Total market value
			Increase	Decrease	
VND					
Short-term investments					
- Listed shares	21,693,968	278,096,882,985	58,335,269,271	(4,340,070,456)	332,092,081,800
- Unlisted shares	4,865,025	119,368,639,502	-	(41,042,021,200)	78,326,618,302
TOTAL	26,558,993	397,465,522,487	58,335,269,271	(45,382,091,656)	410,418,700,102
Long-term investments					
Available-for-sale securities					
- Government bonds	2,250,001	229,370,665,250	15,751,414,731	-	245,122,079,981
TOTAL	2,250,001	229,370,665,250	15,751,414,731	-	245,122,079,981

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

6. FINANCIAL INVESTMENTS (continued)

6.1 Short-term investments

Breakdown of short-term investments of the Company is as follows:

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term investments in securities	397,465,522,487	203,325,585,176
Provision for impairment of short-term investments	(45,382,091,656)	(51,002,564,282)
Net value of short-term investments	<u>352,083,430,831</u>	<u>152,323,020,894</u>

Movements of provision for impairment of short-term investments during the year are as follows:

	VND	
	<u>Current year</u>	<u>Prior year</u>
Beginning balance	51,002,564,282	52,660,970,321
Provision charged (Notes 21)	8,067,292,769	5,096,723,532
Reversal of provision (Notes 21)	(13,687,765,395)	(6,755,129,571)
Ending balance	<u>45,382,091,656</u>	<u>51,002,564,282</u>

6.2 Available-for-sale securities

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Government bonds	229,370,665,250	372,225,836,384
Fund certificates	-	103,068,131,371
TOTAL	<u>229,370,665,250</u>	<u>475,293,967,755</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

6. FINANCIAL INVESTMENTS (continued)

6.3 Details of provision for short-term investments

Items	Carrying value		Decrease compared with market value		Market value	
	Ending balance	Beginning balance	Ending balance	Beginning balance	Ending balance	Beginning balance
Shares	189,363,427,894	125,934,410,488	(45,382,091,656)	(46,846,930,921)	144,193,981,802	79,099,001,226
Listed shares	92,320,415,392	26,328,457,986	(4,340,070,456)	(5,286,379,721)	88,192,990,500	21,053,599,924
FPT Corporation (FPT)	27,009,167,571	147,574	(24,400,071)	(23,710)	26,984,767,500	123,864
Vinamilk Corporation (VNM)	24,612,768,997	576,000	(776,211,997)	(136,000)	23,836,557,000	440,000
VNDIRECT Securities Joint Stock Company (VND)	16,427,363,623	7,307,123,419	-	(33,963)	16,640,000,000	7,307,089,456
Vietronics TanBinh Joint Stock Company (VTB)	8,568,893,944	8,560,710,211	(3,263,961,844)	(5,167,597,711)	5,304,932,100	3,393,112,500
Sai Gon General Service Coporation (SVC)	8,026,017,730	57,830	(111,737,030)	(17,030)	7,914,280,700	40,800
Bao Viet Coporation (BVH)	3,615,003,818	276,403	(103,270,418)	(84,403)	3,511,733,400	192,000
Binh Minh Plastic Company (BMP)	2,824,105,976	-	(4,785,976)	-	2,819,320,000	-
Other stocks	1,237,093,733	10,459,566,549	(55,703,120)	(118,486,904)	1,181,399,800	10,352,601,304
Unlisted shares:	97,043,012,502	99,605,952,502	(41,042,021,200)	(41,560,551,200)	56,000,991,302	58,045,401,302
Lac Viet Joint Stock Company	30,750,000,000	30,750,000,000	(4,350,000,000)	(4,350,000,000)	26,400,000,000	26,400,000,000
Dong A Commercial Joint Stock Bank	16,967,999,502	16,967,999,502	(9,410,708,200)	(9,410,708,200)	7,557,291,302	7,557,291,302
Tan Binh Real Estate Joint Stock Company	11,925,000,000	11,925,000,000	(3,825,000,000)	(3,825,000,000)	8,100,000,000	8,100,000,000
Ca Mau Seafood Joint Stock Company	10,950,030,000	10,950,030,000	(6,562,530,000)	(6,562,530,000)	4,387,500,000	4,387,500,000
Minh Hai Jostoco	8,000,000,000	8,000,000,000	(6,350,000,000)	(6,350,000,000)	1,650,000,000	1,650,000,000
Special Aquatic Products Joint Stock Company	7,549,983,000	7,549,983,000	(3,229,983,000)	(3,229,983,000)	4,320,000,000	4,320,000,000
Vietnam Ocean Shipping Agency Corporation	6,000,000,000	6,000,000,000	(4,000,000,000)	(4,000,000,000)	2,000,000,000	2,000,000,000
Can Tho Import-Export Seafood Joint Stock Company	4,900,000,000	4,900,000,000	(3,313,800,000)	(3,313,800,000)	1,586,200,000	1,586,200,000
Vinh Tuong Industrial Corporation	-	2,562,940,000	-	(518,530,000)	-	2,044,410,000
Fund certificates	-	15,155,357,361	-	(4,155,633,361)	-	10,999,724,000
Vietnam Active Fund (VFA)	-	15,155,357,361	-	(4,155,633,361)	-	10,999,724,000
TOTAL	189,363,427,894	141,089,767,849	(45,382,091,656)	(51,002,564,282)	144,193,981,802	90,098,725,226

VND

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

7. SHORT-TERM RECEIVABLES

7.1 Short term receivables

Items	Beginning balance		Movements during the year			Ending balance			Provision
	Total	Overdue	Doubtful	Increase	Decrease	Total	Overdue	Doubtful	
1. Trade receivables	1,410,917,105	-	1,275,517,100	17,962,507,327	(17,983,291,055)	1,390,133,377	-	1,275,517,100	1,275,517,100
- From advisory services	1,281,050,005	-	1,145,650,000	17,962,507,327	(17,983,291,055)	1,260,266,277	-	1,145,650,000	1,145,650,000
- From securities investments	129,867,100	-	129,867,100	-	-	129,867,100	-	129,867,100	129,867,100
2. Advance to suppliers	353,848,252	-	-	331,772,528	(575,358,458)	110,262,322	-	-	-
3. Receivables from securities trading	552,121,896,930	-	15,443,859,795	127,428,663,597,600	(126,590,714,920,436)	1,390,070,574,094	-	15,443,787,994	15,443,787,994
- Margin trading (i)	510,853,136,973	-	-	16,146,818,185,215	(15,626,819,607,465)	1,030,851,714,723	-	-	-
- For clearing and settlement of securities trading with Vietnam Securities Depository	-	-	-	108,665,848,601,168	(108,419,763,645,107)	246,084,956,061	-	-	-
- Deposit for purchasing securities (ii)	40,932,579,312	-	-	40,000,000,000	(20,000,000,000)	20,000,000,000	-	-	-
- Advances to investors (iii)	-	-	15,443,859,795	2,483,038,070,070	(2,445,563,234,026)	78,407,415,356	-	15,443,787,994	15,443,787,994
- Advisory services	-	-	-	12,862,500,000	-	12,862,500,000	-	-	-
- Receivables from investors for securities trading	-	-	-	3,465,144,930	(2,077,144,930)	1,388,000,000	-	-	-
- Receivables from foreign investors	336,180,645	-	-	76,631,096,217	(76,491,288,908)	475,987,954	-	-	-
4. Other receivables	104,097,165,353	6,585,371,557	-	156,636,154,870	(226,972,031,252)	33,761,288,971	6,596,660,000	-	6,596,660,000
- Reverse repurchase agreements of shares	14,714,617,051	6,585,371,557	-	157,296,733	(420,368,000)	14,451,545,784	6,596,660,000	-	6,596,660,000
- Coupon receivables	3,253,424,658	-	-	15,744,256,161	(5,626,053,526)	13,371,627,293	-	-	-
- Interest receivables from bank deposits	6,894,021,269	-	-	6,638,815,662	(9,313,614,018)	4,219,222,913	-	-	-
- Interest receivables from deposit for purchasing shares (ii)	-	-	-	5,585,000,000	(5,535,000,000)	50,000,000	-	-	-
- Reverse repurchase agreements of bonds	78,600,000,000	-	-	125,911,310,000	(204,511,310,000)	-	-	-	-
- Others	635,102,375	-	-	2,599,476,314	(1,565,685,708)	1,668,892,981	-	-	-
TOTAL	657,983,827,640	6,585,371,557	16,719,376,895	127,603,594,032,325	(126,836,245,601,201)	1,425,332,258,764	6,596,660,000	16,719,305,094	23,315,965,094

VND

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

7. SHORT-TERM RECEIVABLES (continued)

7.1 Short-term receivables (continued)

- (i) These represent the receivables under securities margin trading contracts which are secured by investors' securities portfolio or assets. Contract duration is from 90 to 180 days and interest rate ranges from 1.29% to 1.50% per month during the year.
- (ii) This is the remaining amount of a deposit to buy shares from individuals in accordance with the framework agreement signed on 20 March 2013 between the Company and these individuals for a period of 270 days from the signing date. In case the transaction is not performed within the contract term, the deposit plus the accumulated interest on the deposit at the rate of 18% p.a. will be refunded to the Company. As of 9 January 2014, this deposit and the accumulated interest were repaid to the Company in full.
- (iii) This account includes doubtful debts of VND15,443,859,795 relating to the purchase of shares of a company which occurred in previous years and provision for doubtful debts was fully provided.

7.2 Provision for doubtful receivables

	VND	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	23,304,748,452	18,479,834,895
Provision charged for the year (Notes 22)	11,288,443	5,448,250,000
Reversal of provision for the year (Notes 22)	(71,801)	(623,336,443)
Ending balance	<u>23,315,965,094</u>	<u>23,304,748,452</u>

8. SHORT-TERM PREPAID EXPENSES

	VND	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	3,659,266,484	4,519,574,259
Increase during the year	28,717,627,537	25,058,952,597
Transfer from fixed assets (*)	535,838,128	-
	32,912,732,149	29,578,526,856
Amortisation charge for the year	(26,802,151,638)	(25,919,260,372)
Ending balance	<u>6,110,580,511</u>	<u>3,659,266,484</u>

- (*) In 2013, the Company has ceased to depreciate assets that are not eligible to be classified as fixed assets under Article 3 of Circular No. 45/2013/TT-BTC and transferred the net carrying value of these assets to prepaid expenses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

9. TANGIBLE FIXED ASSETS

	VND		
	<i>Transportation vehicles</i>	<i>Office equipment</i>	<i>Total</i>
Cost:			
Beginning balance	3,219,787,884	38,518,252,205	41,738,040,089
Additions	1,131,223,400	1,801,553,433	2,932,776,833
Transferred to prepaid expenses (*)	-	(4,410,196,423)	(4,410,196,423)
Disposals	<u>(876,821,740)</u>	<u>(951,608,899)</u>	<u>(1,828,430,639)</u>
Ending balance	<u>3,474,189,544</u>	<u>34,958,000,316</u>	<u>38,432,189,860</u>
<i>In which:</i>			
<i>Fully depreciated</i>	2,342,966,144	23,280,028,231	25,622,994,375
Accumulated depreciation:			
Beginning balance	3,028,173,992	28,850,968,632	31,879,142,624
Depreciation for the year	268,645,142	6,266,879,909	6,535,525,051
Transferred to prepaid expenses (*)	-	(3,886,520,404)	(3,886,520,404)
Disposals	<u>(876,821,740)</u>	<u>(904,853,232)</u>	<u>(1,781,674,972)</u>
Ending balance	<u>2,419,997,394</u>	<u>30,326,474,905</u>	<u>32,746,472,299</u>
Net carrying amount:			
Beginning balance	<u>191,613,892</u>	<u>9,667,283,573</u>	<u>9,858,897,465</u>
Ending balance	<u>1,054,192,150</u>	<u>4,631,525,411</u>	<u>5,685,717,561</u>

(*) In 2013, the Company has ceased to depreciate assets that are not eligible to be classified as fixed assets under Article 3 of Circular No. 45/2013/TT-BTC and transferred the net carrying value of these assets to prepaid expenses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

10. INTANGIBLE FIXED ASSETS

	<i>VND</i>
	<u>Computer software</u>
Cost:	
Beginning balance	21,084,673,883
Additions	932,918,741
Transferred to prepaid expenses (*)	<u>(53,733,957)</u>
Ending balance	<u>21,963,858,667</u>
<i>In which:</i>	
<i>Fully amortised</i>	19,181,199,517
Accumulated amortisation:	
Beginning balance	19,032,176,882
Amortisation for the year	1,288,508,444
Transferred to prepaid expenses (*)	<u>(41,571,848)</u>
Ending balance	<u>20,279,113,478</u>
Net carrying amount:	
Beginning balance	<u>2,052,497,001</u>
Ending balance	<u>1,684,745,189</u>

(*) In 2013, the Company has ceased to amortised assets that are not eligible to be classified as fixed assets under Article 3 of Circular No. 45/2013/TT-BTC and transferred the net carrying value of these assets to prepaid expenses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

11. LONG-TERM PREPAID EXPENSES

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Office rentals (*)	107,196,497,946	112,248,783,822
Office renovation costs	541,619,831	1,263,033,726
TOTAL	<u>107,738,117,777</u>	<u>113,511,817,548</u>

(*) This mainly includes the unamortised portion of the full prepayment for lease of 1,802 square meters amounting to VND103,867,172,351 in AB Tower for the remaining period of 37 years.

Movements of the long-term prepaid expenses in the year are as follows:

	VND	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	113,511,817,548	122,701,592,237
Increase during the year	-	1,026,227,050
	113,511,817,548	123,727,819,287
Amortisation charge for the year	(5,773,699,771)	(10,216,001,739)
Ending balance	<u>107,738,117,777</u>	<u>113,511,817,548</u>

12. ADVANCE TO SETTLEMENT ASSISTANCE FUND

Advance to Settlement Assistance Fund represent deposits at the Vietnam Securities Depository.

According to Decision No. 60/2004/QD-BTC dated 15 July 2004 and Decision No. 72/2005/QD-BTC dated 21 October 2005 issued by the Ministry of Finance and Decision No. 17/QD-TTLK dated 2 April 2008 issued by the Vietnam Securities Depository of the State Securities Commission, the Company is required to deposit an initial amount of VND120 million and make an annual additional contribution of 0.01% of total value trading of dealing and brokered securities in prior year.

Movements of advance to Settlement Assistance Fund during the year are follows:

	VND
Initial contribution	120,000,000
Total interest received up to 2012	1,186,759,620
Total additional contribution up to 2012	8,025,823,690
Balance as at 31 December 2012	9,332,583,310
Additional contribution in 2013	1,512,786,501
Interest received in 2013	987,213,499
Balance as at 31 December 2013	<u>11,832,583,310</u>

13. OTHER LONG-TERM ASSETS

This represents long-term deposits for the leases of the Company's offices.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

14. STATUTORY OBLIGATIONS

No.	Items	Beginning balance	Payable in the year	Paid in the year	Ending balance
1	Corporate income tax	9,445,541,826	93,254,051,563	(68,737,158,706)	33,962,434,683
2	Personal income tax of investors	584,867,256	26,800,061,129	(24,999,528,084)	2,385,400,301
3	Corporate income tax of foreign investors	703,735,417	13,745,927,842	(12,457,488,017)	1,992,175,242
4	Personal income tax of the employees	638,412,430	12,790,374,180	(12,844,253,377)	584,533,233
5	Foreign contractor withholding tax	1,017,392,335	3,054,225,248	(3,915,699,976)	155,917,607
6	Value added tax	44,443,254	1,863,612,081	(1,896,493,222)	11,562,113
7	Business registered tax	-	10,000,000	(10,000,000)	-
		12,434,392,518	151,518,252,043	(124,860,621,382)	39,092,023,179

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

15. ACCRUED EXPENSES

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Allowance for working performance payable to employees	12,000,000,000	12,000,000,000
Brokerage fee payables to Stock Exchange	2,998,338,694	1,660,132,846
Accrued interest for issued bonds	-	18,249,143,388
Other accrued expenses	5,043,077,969	2,082,902,163
TOTAL	<u>20,041,416,663</u>	<u>33,992,178,397</u>

16. OTHER PAYABLES

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Dividend payables to shareholders	3,222,562,754	3,820,481,079
Trade union fee	1,800,678,317	1,969,924,479
Unemployment insurance	58,777,736	57,753,919
Social insurance and health insurance	45,241,318	19,286,471
Other payables	519,422,573	192,925,262
TOTAL	<u>5,646,682,698</u>	<u>6,060,371,210</u>

17. PAYABLES FOR SECURITIES TRADING

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Investors' deposits for securities trading	393,905,219,906	380,605,741,148
Payables to investor for bond transactions	190,000,000,000	-
Payables from deposit for share auction	185,761,400	-
Payable for repurchase agreement of bonds	-	65,618,942,296
Payables to Vietnam Securities Depository for clearing and settlement of securities trading	-	141,868,166,551
Payable to State Treasury for bond transactions	-	100,689,000,000
TOTAL	<u>584,090,981,306</u>	<u>688,781,849,995</u>

18. REPURCHASE AGREEMENT OF GOVERNMENT BONDS

These are payables from the sales of Government bonds to banks with a commitment to repurchase in January 2014.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

19. OWNERS' EQUITY

19.1 Share capital

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Contributed by shareholders	1,272,567,580,000	1,008,486,370,000
Share premium	310,343,798,499	560,834,915,000
Treasury shares	(123,551,893)	(5,165,052,464)
TOTAL	<u>1,582,787,826,606</u>	<u>1,564,156,232,536</u>

19.2 Capital transactions with share capital and distribution of dividends

	VND	
	<u>Current year</u>	<u>Previous year</u>
Share capital		
Beginning balance	1,008,486,370,000	998,486,370,000
Increase	264,081,210,000	10,000,000,000
Ending balance	<u>1,272,567,580,000</u>	<u>1,008,486,370,000</u>

On 26 April 2013, at the Annual General Meeting, the shareholders approved Resolution No. 01/2013/NQ-DHDCD on the proposal plan of issuing new shares to existing shareholders using the shares premium at a ratio of 4:1 (a new share for every four existing shares) and issuing new shares to key employees under the Employee Stock Option program (ESOP 2013) using the bonus and welfare fund of the Company. On 31 October 2013, the Board of Directors passed Resolution No. 08/2013/NQ-HDQT which defined the criteria of key employees, methodology to determine number of shares to distribute for each employee and the time schedule of the program.

Subsequently, the Company completed all necessary procedures and issued 26,408,121 shares and recorded the increase of the share capital amounting to VND264,081,210,000 by way of share premium (VND252,081,210,000) and bonus and welfare fund (VND12,000,000,000).

On 24 December 2013, the Company received the license amendment No. 52/GPDC-UBCK from the State Securities Commission amending Business License No. 11/UBCK-GPHDKD dated 29 April 2003. Accordingly, the charter capital increased to VND1,272,567,580,000. On 3 January 2014, the Vietnam Securities Depository granted to the Company Certificate of Security Registration No. 02/2009/GCNCP-VSD-5 regarding the additional listing of 25,208,121 shares issued to existing shareholders. Later, on 6 January 2014, the Company also received Certificate of Security Registration No. 02/2009/GCNCP-VSD-6 from the Security Depository Center of Vietnam regarding the additional listing of 1,200,000 shares issued to the Company's key employees under the ESOP.

The Company also received Decision No. 02/QĐ-SGDHCM dated 6 January 2014 issued by the Ho Chi Minh City Stock Exchange allowing it to list 25,208,121 additional shares issued to existing shareholders with the effective date of 8 January 2014. In addition, Decision No 06/QĐ-SGDHCM SGDHCM dated 7 January 2014 issued by the Ho Chi Minh City Stock Exchange approved the Company to list 1,200,000 additional shares issued to the Company's key employees under the ESOP with the effective date of 9 January 2014.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013**19. OWNERS' EQUITY** (continued)**19.3 Dividends**

	VND	
	<u>Current year</u>	<u>Previous year</u>
Dividends declared and paid during the financial year		
- Dividends paid for previous years	629,577,200	159,667,618,245
- 2 nd dividends for 2012: VND1,500 per share	150,716,972,250	50,193,154,470
- Interim dividends for 2013: VND500 per share	50,440,274,375	-
TOTAL	<u>201,786,823,825</u>	<u>209,860,772,715</u>

19.4 Shares

	<u>Ending balance Share</u>	<u>Beginning balance Share</u>
Authorised shares	127,256,758	100,848,637
Issued shares		
<i>Issued and paid-up shares</i>		
Ordinary shares	127,256,758	100,848,637
Treasury shares		
<i>Held by the Company</i>		
Ordinary shares	7,038	282,680
Outstanding shares		
Ordinary shares	127,249,720	100,565,957

20. OTHER REVENUE

	VND	
	<u>Current year</u>	<u>Previous year</u>
Revenue from margin trading	152,720,941,753	185,041,044,907
Interest income from bank deposits	90,726,657,494	138,975,574,115
Revenue from reverse repurchase agreements	6,316,753,467	39,752,827,851
Accrued interest from deposit contract for purchasing shares	5,585,000,000	-
Revenue from advances to investors	2,943,006,362	3,333,395,870
Other revenues	1,408,446,164	3,015,639,954
TOTAL	<u>259,700,805,240</u>	<u>370,118,482,697</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

21. OPERATING EXPENSES

	VND	
	<u>Current year</u>	<u>Previous year</u>
Staff cost	58,213,022,191	56,536,160,963
Brokerage expenses	41,964,185,262	24,398,170,874
External services	25,207,165,923	22,614,258,580
Cost of repurchase agreements of bonds	18,056,253,211	9,170,343,269
External management consultancy fee	13,363,639,368	11,155,262,165
Loss on securities trading (*)	10,299,662,366	12,772,713,249
Interest of issued bonds	6,237,784,807	18,451,946,536
Security custodian expenses	3,842,101,835	4,722,081,616
Depreciation and amortisation	2,692,159,372	5,850,695,738
Material and tool expenses	502,313,030	400,655,790
Other expenses	1,912,812,847	1,297,691,407
Provision for impairment of investments	8,067,292,769	5,096,723,532
Reversal of provision for impairment of investments	<u>(13,687,765,395)</u>	<u>(6,755,129,571)</u>
TOTAL	<u>176,670,627,586</u>	<u>165,711,574,148</u>

(*) According to Circular No. 95/2008/TT-BTC dated 24 October 2008 issued by the Ministry of Finance guiding the accounting policies for securities companies, gains (selling price is higher than purchased cost) on securities investment trading are recognised in revenue from securities investment and losses (selling price is lower than purchased cost) are recognised in securities investment expenses.

22. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<u>Current year</u>	<u>Previous year</u>
Staff cost	45,263,635,002	41,985,563,206
Office rental	16,215,281,867	20,585,554,340
External services	13,971,680,472	12,021,284,821
Depreciation and amortisation	5,131,874,123	6,699,867,597
Office renovation expenses	532,691,887	1,995,656,125
Taxes and other fees	346,752,944	460,424,038
Office supplies	233,916,726	131,487,519
Other expenses	1,671,357,080	1,269,163,583
Provision for doubtful debts	11,288,443	5,448,250,000
Reversal of provision for doubtful debts	<u>(71,801)</u>	<u>(623,336,443)</u>
TOTAL	<u>83,378,406,743</u>	<u>89,973,914,786</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

23. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits for the period of the five (5) years since 2008 and 25% thereafter.

23.1 Current corporate income tax expense

	VND	
	<u>Current year</u>	<u>Previous year</u>
CIT expense of the year	93,254,051,563	60,413,415,861
Adjustment for under provision of tax in years	-	50,253,758
TOTAL	<u>93,254,051,563</u>	<u>60,463,669,619</u>

The Company's tax reporting will be subject to inspection by the tax authorities. Because the application of laws and regulations on taxes on different types of transactions can be interpreted in different ways, the tax amounts are presented on the financial statements can be changed by the final decision of the tax authorities.

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

The provision for current CIT for the year is computed as follows:

	VND	
	<u>Current year</u>	<u>Previous year</u>
Profit before tax	375,428,362,311	306,844,193,438
Adjustments to increases (decreases) accounting profit		
<i>Adjustments to increases:</i>		
- Non-deductible expenses	761,925,168	404,913,300
<i>Adjustments to decreases:</i>		
- Tax-exempt dividend income	(2,759,257,235)	(4,688,117,435)
- Reversal of provision for impairment of unlisted securities	(414,823,992)	(493,910,000)
Current taxable profit	<u>373,016,206,252</u>	<u>302,067,079,303</u>
CIT expense	93,254,051,563	60,413,415,861
Under provision of tax in prior years	-	50,253,758
Estimated current CIT	93,254,051,563	60,463,669,619
CIT payable at the beginning of the year	9,445,541,826	10,269,846,948
CIT paid during the year	(68,737,158,706)	(61,287,974,741)
CIT payable at the end of the year	<u>33,962,434,683</u>	<u>9,445,541,826</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

23. CORPORATE INCOME TAX (CIT) (continued)

23.2 *Deferred corporate income tax*

There was no deferred tax recognised as at 31 December 2013 since there are no significant identified temporary differences between the carrying value and the tax base of assets and liabilities in the financial statements.

24. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the year are as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Amounts</i>
Dragon Capital Markets Limited (DC)	Strategic shareholder	Dividend paid	62,848,800,000
		Bond redemption	110,000,000,000
		Interest paid for bonds issued	24,486,928,196
		Interest expenses of bonds issued	6,237,784,807
		Advisory expenses	10,571,221,368
Ho Chi Minh City Fund and Investment Corporation (HFIC)	Strategic shareholder	Dividend paid	60,000,000,000
		Purchasing securities	37,185,137,000
		Brokerage income	55,777,706
Vietnam Debt Fund SPC	Related parties	Purchasing securities	124,305,091,000
		Selling securities	90,089,428,000
		Purchasing bonds under reverse repurchase agreement	121,422,520,000
		Selling bonds under repurchase agreement	109,563,319,200
		Brokerage income	150,150,287
Dragon Capital Vietnam Mother Fund	Related parties	Selling securities	1,065,949,744,050
		Purchasing securities	112,181,980,400
		Brokerage income	1,759,106,807
Amersham Industries Limited	Related parties	Selling securities	670,128,024,000
		Purchasing securities	151,882,855,000
		Brokerage income	1,233,016,323
Vietnam Enterprise Investments Limited	Related parties	Selling securities	816,658,540,000
		Purchasing securities	153,315,403,000
		Brokerage income	1,454,960,917
Vietnam Property Fund Limited	Related parties	Selling securities	52,853,145,200
		Brokerage income	79,279,718
DC Developing Markets Strategies Public Limited Company	Related parties	Purchasing securities	25,211,805,000
		Brokerage income	37,817,708

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

25. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet date are as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i> <i>Receivables</i> <i>(payables)</i>
Ho Chi Minh City Fund and Investment Corporation (HFIC)	Strategic shareholder	Deposits for trading securities	(21,617,852)
Vietnam Enterprise Investments Limited	Related parties	Brokerage fee	7,087,500,000
Amersham Industries Limited	Related parties	Brokerage fee	5,775,000,000

Transactions with other related parties

Remuneration to members of the Board of Directors and Management:

	<i>Current year</i>	<i>VND</i> <i>Previous year</i>
Salaries and bonus	<u>9,132,601,622</u>	<u>9,071,337,244</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

25. SEGMENT INFORMATION

Business segment

	Brokerage and customer services	Trading	Advisory services	Treasury activities	Other segments	Unallocated	Total
<i>For the financial year ended</i>							
<i>31 December 2013</i>							
1. Revenue from operating activities	202,814,821,940	152,918,931,927	16,399,063,998	258,292,359,076	4,334,400,759	-	634,759,577,700
2. Direct costs	47,901,015,870	9,560,551,279	7,810,461,795	183,867,493,838	3,085,478,051	-	252,225,000,833
3. Depreciation and amortisation	2,758,006,602	26,013,149	45,446,898	4,912,136,351	82,430,496	-	7,824,033,496
4. Other income	-	-	-	-	717,818,940	-	717,818,940
Profit before tax	152,155,799,468	143,332,367,499	8,543,155,305	69,512,728,887	1,884,311,152	-	375,428,362,311
<i>As at 31 December 2013</i>							
1. Segment assets	273,726,227,733	353,091,070,831	1,114,897,299	2,346,516,376,186	1,839,846,330	-	2,976,288,418,379
2. Allocated assets	83,098,425,859	931,074,800	3,491,530,498	2,560,455,699	27,001,169,187	-	117,082,656,043
3. Unallocated assets	-	-	-	-	-	34,409,994,500	34,409,994,500
Total assets	356,824,653,592	354,022,145,631	4,606,427,797	2,349,076,831,885	28,841,015,517	34,409,994,500	3,127,781,068,922
1. Segment liabilities	-	-	-	-	-	-	-
2. Unallocated liabilities	591,690,652,264	-	-	217,478,509,568	749,823,123	70,513,890,799	880,432,875,754
Total liabilities	591,690,652,264	-	-	217,478,509,568	749,823,123	70,513,890,799	880,432,875,754

Geographical segment

All operations of the Company are taken place within Vietnam territory.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

26. OPERATING LEASE COMMITMENTS

The Company leases its offices under operating lease agreements as follows:

In Ho Chi Minh City:

- Head office at 5th and 6th Floor, AB Tower at 76 Le Lai, Ben Thanh Ward, District 1.
- Branch office at 1st Floor, 6 Thai Van Lung, Ben Nghe Ward, District 1.
- Transaction office at 569-571-573 Tran Hung Dao, Cau Kho Ward, District 1.
- Transaction office at 633 Nguyen Trai, Ward 11, District 5.
- Warehouse for archiving documents at 117A Nguyen Tat Thanh, District 4.

In Hanoi:

- Branch office at 66A Tran Hung Dao, Tran Hung Dao Ward, Hoan Kiem District.
- Transaction office at 2nd Floor, B14 Building, Kim Lien Ward, Dong Da District.
- Warehouse for archiving documents at P803, 8th Floor CT5, My Tri Ward, Tu Liem District.

The minimum lease commitment as at 31 December 2013 under the operating lease agreements is as follows:

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Less than 1 year	7,924,500,060	10,692,201,376
From 1 - 5 years	9,692,937,830	17,945,752,979
TOTAL	17,617,437,890	28,637,954,355

27. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations:

	<i>Current year</i>	<i>Previous year (restated)</i>
Net profit after tax attributable to ordinary equity holders for basic earnings - VND	282,174,310,748	246,380,523,819
Weighted average number of ordinary shares for basic earnings per share	125,926,782	124,500,873
Basic earnings per share - VND	2,241	1,979

Basic earnings per share of previous year were restated due to the effect of the issuance of new shares to existing shareholders at the ratio of 4:1 by way of share premium in 2013 (a new share for every four existing shares).

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company implements risk management framework as comprehensive:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risks: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that the sensitivity of available-for-sale debt instruments in the balance sheet and the relevant items in the income statement are affected by the assumptions of changes in market risks. This is based on the financial assets and financial liabilities held as at 31 December 2013.

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. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cash and short-term deposits. These investments are mainly short term in nature and they are not held for speculative purposes.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favorable for its purposes within its risk management limits.

A sensitivity analysis is not performed for interest rate risk at 31 December 2013 as the Company's exposure to interest-rate risk is minimal or debts bear fixed interest rate at reporting date.

Foreign currency risk

Foreign 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's accounting currency).

Foreign currency risk is low since most of all the Company's assets and liabilities are in Vietnam dong.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company manages the stock price risk by setting limits on stock investments. The Board of Directors of the Company also reviews and approves all investment decisions on stocks.

At 31 December 2013, the exposure to listed equity securities at fair value was VND332,092,081,800 (31 December 2012: VND183,932,544,119). An increase or decrease of 10% on the stock market index would result in an increase or decrease in the same proportion of revenue from the operating activities, depending on the significance or lengthiness of the decrease, and also depending on whether the holding status of the portfolio have significant impact on the market index.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. The Company has maintained strict control over its outstanding receivables and has a credit control department to minimize credit risk. The margin call is conducted on time and complies with the nature of the margin product.

In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual discounted payments:

				VND
	<u>On demand</u>	<u>Less than 1 year</u>	<u>From 1 to 5 years</u>	<u>Total</u>
Ending balance				
Payables to securities transactions	583,905,219,906	185,761,400	-	584,090,981,306
Repurchase agreement of Government bonds	-	217,478,509,568	-	217,478,509,568
Accrued expenses	-	7,993,566,663	-	7,993,566,663
Other short-term payables	3,231,661,643	1,464,675,431	-	4,696,337,074
	<u>587,136,881,549</u>	<u>227,122,513,062</u>	<u>-</u>	<u>814,259,394,611</u>
Beginning balance				
Long-term loans and borrowings	110,000,000,000	-	-	110,000,000,000
Payables to securities transactions	623,162,907,699	65,618,942,296	-	688,781,849,995
Repurchase agreement of Government bonds	163,195,578,241	-	-	163,195,578,241
Accrued expenses	18,652,614,701	2,647,147,574	-	21,299,762,275
Other short-term payables	12,142,372,098	-	-	12,142,372,098
	<u>927,153,472,739</u>	<u>68,266,089,870</u>	<u>-</u>	<u>995,419,562,609</u>

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Collateral

As of 31 December 2013, the Company used its investment bonds as collaterals at other institutions in order to ensure their obligation for selling and repurchasing contracts.

The Company has held customers' securities as collaterals for the trade receivables from customers as at 31 December 2013 and at 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

29. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS REQUIRED BY CIRCULAR NO. 210/2009/TT-BTC

The following shows the additional presentation and disclosure of financial instruments as required by Circular No. 210/2009/TT-BTC.

Financial assets

Financial assets of the Company under the Circular No. 210/2009/TT-BTC comprise cash, deposits at credit institutions, trading and investment securities, receivables and other assets under monetary derivative contracts.

According to Circular No. 210/2009/TT-BTC, financial assets are classified appropriately, for the purpose of explanation in the financial statements, into one of the following categories:

- *Financial asset recognised at fair value through profit and loss:*
is one that satisfies either of the following conditions:
 - a) Being classified as held for trading. A financial asset will be classified as securities held for trading if:
 - ✓ It is purchased or created mainly for the purpose of resale/redemption in a short term; or
 - ✓ There is an evidence that such instrument is traded for the purpose of gaining short-term profits.
 - b) Upon initial recognition, the entity categorizes the financial asset as such reflected at fair value through profit and loss.
- *Held-to-maturity investments:*
are non-derivative financial assets with fixed or identifiable payments and fixed maturity periods which an entity has the intent and ability to hold until the date of maturity, with the exceptions of:
 - a) Financial assets that, upon initial recognition, were categorized as such recognised at fair value through profit and loss;
 - b) Financial assets already categorised as available for sale; or
 - c) Financial assets that meet the definitions of loans and receivables.
- *Loans and receivables:*
are non derivative financial assets with fixed or identifiable payments and not listed on the market, with the exceptions of:
 - a) The amounts the entity has the intent to immediately sell or will sell in a near future which are classified as assets held for trading and like those which, upon initial recognition the entity categorised as such recognised at fair value through profit and loss
 - b) The amounts categorized by the entity as available for sale upon initial recognition; or
 - c) The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorised as available for sale.
- *Available-for-sale assets:*
are non-derivative financial assets determined as available for sale or not classified as:
 - a) Loans and receivables;
 - b) Held-to-maturity investments; or
 - c) Financial assets recognised at fair value through profit and loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

29. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS REQUIRED BY CIRCULAR NO. 210/2009/TT-BTC (continued)

Financial liabilities

Financial liabilities of the Company under the Circular No. 210/2009/TT-BTC consist of borrowings, payables and other liabilities under monetary derivative contracts.

According to Circular No. 210/2009/TT-BTC, financial liabilities are classified appropriately, for the purpose of explanation in the financial statements, into one of the following categories:

- *Financial liabilities recognised at fair value through profit and loss*
are ones that meet either of the following conditions:
 - a) Being classified as held for trading. A financial liability will be classified as securities held for trading if:
 - ✓ It is purchased or created mainly for the purpose of resale/redemption in a short-term; or
 - ✓ There is an evidence that such instrument is traded for the purpose of gaining short-term profits.
 - b) Upon initial recognition, the entity categorises the financial liability as such reflected at fair value through profit and loss.
- *Financial liabilities determined at the fair amortised cost*
Financial liabilities not categorized as such recorded at fair value through profit and loss will be classified as such determined at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2013

29 ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS REQUIRED BY CIRCULAR NO. 210/2009/TT-BTC (continued)

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements:

	Carrying amount		Fair value		VND
	Ending balance	Beginning balance	Ending balance	Beginning balance	
Financial assets					
Financial assets at fair value through profit and loss					
- Held for trading investments					
Listed shares	278,096,882,985	81,394,005,674	332,092,081,800	75,017,062,848	
Unlisted shares	119,368,639,502	121,931,579,502	78,326,618,302	80,371,028,302	
- Held-to-maturity investment					
Short term deposit	978,900,000,000	1,751,700,000,000	978,900,000,000	1,751,700,000,000	
Trade receivable and other receivables	1,428,468,801,970	661,651,188,264	(*)	(*)	
Available for sales financial assets					
- Available for sale securities					
Fund certificates	-	103,068,131,371	(*)	(*)	
Bonds	229,370,665,250	372,225,836,384	(*)	(*)	
Cash and cash equivalents	28,973,885,140	42,502,976,893	28,973,885,140	42,502,976,893	
Total	3,063,178,874,847	3,134,473,718,088	1,418,292,585,242	1,949,591,068,043	
Financial liabilities					
Loans and borrowings	-	110,000,000,000	(*)	(*)	
Payables to securities transactions	584,090,981,306	688,781,849,995	(*)	(*)	
Repurchase agreement of Government bonds	217,478,509,568	163,195,578,241	(*)	(*)	
Accrued liabilities	7,993,566,663	21,299,762,275	7,993,566,663	21,251,912,275	
Other short-term payable	4,696,337,074	12,142,372,098	(*)	(*)	
Total	814,259,394,611	995,419,562,609	7,993,566,663	21,251,912,275	

(*) The fair value of these financial assets and liabilities cannot be determined because there is no specific guidance of fair value determination under the Vietnamese Accounting Standards and Accounting System.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2012

29. ADDITIONAL PRESENTATION AND DISCLOSURE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AS REQUIRED BY CIRCULAR NO. 210/2009/TT-BTC (continued)

The fair value of the financial assets and liabilities are the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption are used to estimate the fair values:

- ▶ Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

30. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the reporting date that have affected or may significantly affect the operations of the Company and the results of its operations or the state of affairs of the Company.

Ms. Ho Thi Thu Thao
Preparer

Mr. Lam Huu Ho
Chief Financial Officer



Mr. Johan Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam

7 March 2014