

Ho Chi Minh City Securities Corporation

Report of the Management
and audited financial statements

At 31 December 2014



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 2014, 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:

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
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:

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
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:

<i>Name</i>	<i>Title</i>	<i>Date of appointment</i>
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. 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 MANAGEMENT

The Management 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 2014.

MANAGEMENT'S RESPONSIBILITY FOR 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 2014.

STATEMENT BY THE MANAGEMENT

The Management 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 2014 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, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of the Management:



Jonan Nyvene
Jonan Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 March 2015



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working world

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

Tel: +84 8 3824 5252
Fax: +84 8 3824 5250
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Reference: 60790272/17105328

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 18 March 2015 and set out on pages 5 to 43, which comprise the balance sheet as at 31 December 2014, 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, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and 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.



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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 2014, 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, Vietnamese Enterprise Accounting System, accounting regulations and guidance applicable to securities companies and statutory requirements relevant to preparation and presentation of financial statements.



Ernst & Young Vietnam Limited

Nguyen Xuan Dai
Deputy General Director
Audit Practicing Registration
Certificate No. 0452-2013-004-1

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

Ho Chi Minh City, Vietnam

18 March 2015

Ho Chi Minh City Securities Corporation

BALANCE SHEET
as at 31 December 2014

B01-CTCK

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		3,729,375,462,393	2,768,235,282,081
110	I. Cash and cash equivalents	4	1,506,623,089,077	1,007,873,885,140
111	1. Cash		1,506,623,089,077	1,007,873,885,140
112	2. Cash equivalents		-	-
120	II. Short-term financial investments	6	197,474,340,107	352,083,430,831
121	1. Short-term investments		279,720,963,132	397,465,522,487
129	2. Provision for short-term investments		(82,246,623,025)	(45,382,091,656)
130	III. Short-term receivables	7	2,021,465,503,113	1,402,016,293,670
131	1. Trade receivables		1,796,217,100	1,390,133,377
132	2. Advances to suppliers		3,941,320,615	110,262,322
135	3. Receivables from securities trading activities		2,025,959,756,897	1,390,070,574,094
138	4. Other receivables		6,487,513,595	33,761,288,971
139	5. Provision for doubtful debts		(16,719,305,094)	(23,315,965,094)
150	IV. Other current assets		3,812,530,096	6,261,672,440
151	1. Short-term prepaid expenses	8	3,633,259,136	6,110,580,511
158	2. Other current assets		179,270,960	151,091,929
200	B. NON-CURRENT ASSETS		129,991,561,736	359,545,786,841
220	I. Fixed assets		8,423,595,801	7,370,462,750
221	1. Tangible fixed assets	9	4,379,088,951	5,685,717,561
222	- Cost		40,204,022,446	38,432,189,860
223	- Accumulated depreciation		(35,824,933,495)	(32,746,472,299)
227	2. Intangible fixed assets	10	1,633,999,174	1,684,745,189
228	- Cost		23,089,878,017	21,963,858,667
229	- Accumulated amortization		(21,455,878,843)	(20,279,113,478)
230	3. Construction in progress		2,410,507,676	-
250	II. Long-term investments		-	229,370,665,250
253	1. Long-term securities		-	229,370,665,250
254	- Available-for-sale securities		-	229,370,665,250
260	III. Other long-term assets		121,567,965,935	122,804,658,841
261	1. Long-term prepaid expenses	11	102,687,119,775	107,738,117,777
263	2. Advance to Settlement Assistance Fund	12	14,332,583,310	11,832,583,310
268	3. Other long-term assets	13	4,548,262,850	3,233,957,754
270	TOTAL ASSETS		3,859,367,024,129	3,127,781,068,922

Ho Chi Minh City Securities Corporation

BALANCE SHEET (continued)
as at 31 December 2014

B01-CTCK

VND

<i>Code</i>	<i>RESOURCES</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
300	A. LIABILITIES		1,501,136,414,737	880,432,875,754
310	I. Current liabilities		1,501,136,414,737	880,432,875,754
312	1. Trade payables		1,861,719,700	1,464,675,431
314	2. Statutory obligations	14	25,004,270,953	39,092,023,179
316	3. Accrued expenses	15	24,509,074,595	20,041,416,663
319	4. Other payables	16	70,701,055,922	5,646,682,698
320	5. Payables for securities trading	17	1,366,499,871,795	584,090,981,306
321	6. Dividend, principal and coupon payables		2,008,561,292	6,175,409,201
323	7. Bonus and welfare fund		10,551,860,480	6,443,177,708
327	8. Payables for buying/selling Government bonds		-	217,478,509,568
400	B. OWNERS' EQUITY	18	2,358,230,609,392	2,247,348,193,168
410	I. Capital		2,358,230,609,392	2,247,348,193,168
411	1. Share capital		1,272,567,580,000	1,272,567,580,000
412	2. Share premium		310,343,798,499	310,343,798,499
414	3. Treasury shares		(327,808,838)	(123,551,893)
417	4. Investment and development fund		3,961,374,994	3,961,374,994
418	5. Financial reserve		182,241,735,237	144,626,530,513
420	6. Undistributed earnings		589,443,929,500	515,972,461,055
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,859,367,024,129	3,127,781,068,922

Ho Chi Minh City Securities Corporation

BALANCE SHEET (continued)
as at 31 December 2014

B01-CTCK

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	630,227,456	150,590,712
006	3. Custody securities	8,014,031,350,000	7,969,306,770,000
	<i>Including:</i>		
007	3.1. Trading securities	6,592,209,670,000	7,061,036,830,000
008	3.1.1. Trading securities of custody investors	37,433,960,000	69,110,190,000
009	3.1.2. Trading securities of local investors	6,406,281,610,000	6,811,983,200,000
010	3.1.3. Trading securities of foreign investors	148,494,100,000	179,943,440,000
012	3.2. Temporarily unprocessed securities	42,884,600,000	73,025,060,000
013	3.2.1. Temporarily unprocessed securities of custody investors	200,000,000	-
014	3.2.2. Temporarily unprocessed securities of local investors	40,484,600,000	70,785,060,000
015	3.2.3. Temporarily unprocessed securities of foreign investors	2,200,000,000	2,240,000,000
017	3.3. Mortgaged securities	321,512,960,000	257,638,210,000
019	3.3.1. Mortgaged securities of local investors	297,904,860,000	234,030,110,000
020	3.3.2. Mortgaged securities of foreign investors	23,608,100,000	23,608,100,000
027	3.4. Securities awaiting settlement	1,049,305,470,000	481,513,680,000
028	3.4.1. Securities awaiting settlement of custody investors	8,190,000	2,175,400,000
029	3.4.2. Securities awaiting settlement of local investors	1,049,058,280,000	478,551,280,000
030	3.4.3. Securities awaiting settlement of foreign investors	239,000,000	787,000,000
037	3.5. Securities waiting for trading	8,118,650,000	96,092,990,000
038	3.5.1. Securities waiting for trading of custody investors	70,000	2,798,080,000
039	3.5.2. Securities waiting for trading of local investors	7,296,370,000	93,077,280,000
040	3.5.3. Securities waiting for trading of foreign investors	822,210,000	217,630,000

Ho Chi Minh City Securities Corporation

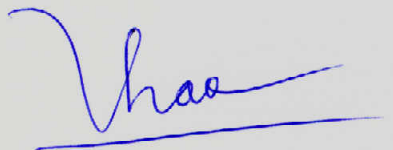
BALANCE SHEET (continued)
as at 31 December 2014

B01-CTCK

OFF BALANCE SHEET ITEMS (continued)

VND

Code	ITEMS	Ending balance	Beginning balance
050	4. Custody securities of unlisted public companies	651,413,380,000	441,506,360,000
	<i>Including:</i>		
051	4.1. Trading securities	645,658,480,000	438,638,920,000
052	4.1.1. Trading securities of custody investors	2,931,610,000	4,584,740,000
053	4.1.2. Trading securities of local investors	630,781,250,000	425,652,930,000
054	4.1.3. Trading securities of foreign investors	11,945,620,000	8,401,250,000
056	4.2. Temporarily unprocessed securities	873,500,000	946,340,000
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	519,500,000	592,340,000
061	4.3. Mortgaged securities	1,300,000,000	1,300,000,000
063	4.3.1. Mortgaged securities of local investors	1,300,000,000	1,300,000,000
071	4.4. Securities waiting for settlement	3,401,400,000	441,100,000
073	4.4.1. Securities waiting for settlement of local investors	3,401,400,000	441,100,000
076	4.5. Blocked securities waiting for releases	180,000,000	180,000,000
078	4.5.1. Blocked securities waiting for releases of local investors	180,000,000	180,000,000
083	5. Non-custody securities held of securities companies	55,268,770,000	47,956,980,000



Ho Thi Thu Thao
Preparer



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 March 2015

Ho Chi Minh City Securities Corporation

INCOME STATEMENT
for the year ended 31 December 2014

B02-CTCK

VND

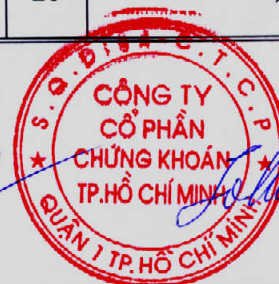
Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue		831,135,291,006	634,759,577,700
	<i>In which:</i>			
01.1	Revenue from brokerage services		299,431,882,181	199,104,183,216
01.2	Revenue from securities investments		194,425,395,876	152,918,931,927
01.3	Revenue from underwriting services		19,029,812	2,880,000,000
01.4	Revenue from securities issuance services		-	45,954,595
01.5	Revenue from finance advisory services		12,362,171,402	16,399,063,998
01.6	Revenue from custodian services		3,502,787,744	3,710,638,724
01.9	Other revenue	19	321,394,023,991	259,700,805,240
10	2. Net revenues from operating activities		831,135,291,006	634,759,577,700
11	3. Operating expenses	20	(262,284,254,449)	(176,670,627,586)
20	4. Gross profit from operating activities		568,851,036,557	458,088,950,114
25	5. General and administrative expenses	21	(87,407,721,377)	(83,378,406,743)
30	6. Net profit from operating activities		481,443,315,180	374,710,543,371
31	7. Other income		4,090,909	717,818,940
32	8. Other expenses		-	-
40	9. Other profit		4,090,909	717,818,940
50	10. Profit before tax		481,447,406,089	375,428,362,311
51	11. Current corporate income tax expense	22.1	(105,295,358,840)	(93,254,051,563)
60	12. Net profit after tax		376,152,047,249	282,174,310,748
70	13. Basic earnings per share	26	2,956	2,241



Ho Thi Thu Thao
Preparer



Lam Huu Ho
Chief Financial Officer





Johan Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 March 2015

Ho Chi Minh City Securities Corporation

CASH FLOW STATEMENT
for the year ended 31 December 2014

B03-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Net profit before tax		481,447,406,089	375,428,362,311
	2. Adjustments for:			
02	- Depreciation and amortization	20, 21	4,255,226,561	7,824,033,495
03	- Provisions		30,267,871,369	(5,609,255,984)
05	- Profits from investing activities		(119,616,575,866)	(178,135,467,936)
06	- Interest expense		6,488,285,876	24,294,038,018
08	3. Operating profit before changes in working capital		402,842,214,029	223,801,709,904
09	- Increase in receivables		(627,738,762,673)	(766,005,026,845)
10	- Decrease (increase) in short-term investments		117,744,559,355	(193,959,397,311)
11	- Increase (decrease) in payables (other than interest, corporate income tax)		572,082,214,753	(54,208,620,750)
12	- Decrease in prepaid expenses		7,528,319,377	3,858,223,872
13	- Interest paid		(6,951,035,444)	(43,243,852,375)
14	- Corporate income tax paid	22.1	(123,582,104,212)	(68,737,158,706)
16	- Other cash outflows from operating activities		(46,791,497,842)	(11,509,544,224)
20	Net cash flows generated from (used in) operating activities		295,133,907,343	(910,003,666,435)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase and construction of fixed assets and other long-term assets		(5,308,359,612)	(3,175,695,573)
22	2. Proceeds from disposals of fixed assets and other long-term assets		-	139,600,000
23	3. Loans to other entities and payments for purchase of debt instruments of other entities		(1,356,507,877,419)	(702,167,585,247)
24	4. Collections from borrowers and proceeds from sale of debt instruments of other entities		1,622,629,521,118	801,493,109,590
26	5. Proceeds from sale of investments in other entities		-	190,531,576,198
27	6. Interest and dividends received		95,251,810,647	129,470,299,469
30	Net cash outflows generated from investing activities		356,065,094,734	416,291,304,437

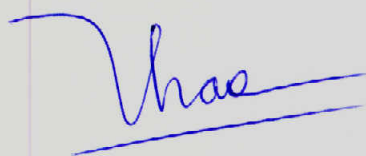
Ho Chi Minh City Securities Corporation

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2014

B03-CTCK

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
	- Issuance of shares		-	12,000,000,000
	- Selling treasury shares		-	7,171,415,000
32	2. Capital redemption		(4,256,945)	(1,320,930)
33	3. Drawdown of borrowings		350,000,000,000	
34	4. Repayment of borrowings		(350,000,000,000)	(110,000,000,000)
36	5. Dividends paid to equity holders	18.2	(152,445,541,195)	(201,786,823,825)
40	Net cash flows used in financing activities		(152,449,798,140)	(292,616,729,755)
50	Net increase (decrease) in cash and cash equivalents during the year		498,749,203,937	(786,329,091,753)
60	Cash and cash equivalents at the beginning of the year	4	1,007,873,885,140	1,794,202,976,893
70	Cash and cash equivalents at the end of the year	4	1,506,623,089,077	1,007,873,885,140



Ho Thi Thu Thao
Preparer



Lam Huu Ho
Chief Financial Officer




Johan Nyvene
Chief Executive Officer

Ho Chi Minh City, Vietnam

18 March 2015

Ho Chi Minh City Securities Corporation

B05-CTCK

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2014

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	18	1,008,486,370,000	1,272,567,580,000	-	-	-	-	1,272,567,580,000	1,272,567,580,000
2. Share premium	18	560,834,915,000	310,343,798,499	(252,081,210,000)	-	-	-	310,343,798,499	310,343,798,499
3. Treasury shares	18	(5,165,052,464)	(123,551,893)	5,581,321,501	-	(204,256,945)	-	(123,551,893)	(327,808,838)
4. Investment and development fund		3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Financial reserve		116,409,099,437	144,626,530,513	-	-	37,615,204,724	-	144,626,530,513	182,241,735,237
6. Undistributed earnings		477,987,318,312	515,972,461,055	282,174,310,748	(244,189,168,005)	376,152,047,249	(302,680,578,804)	515,972,461,055	589,443,929,500
TOTAL		2,162,514,025,279	2,247,348,193,168	(490,689,056,504)	(490,689,056,504)	413,562,995,028	(302,680,578,804)	2,247,348,193,168	2,358,230,609,392

Thao

Ho Thi Thu Thao
Preparer

Ho Chi Minh City, Vietnam

18 March 2015

Nyvene

Lam Huu Ho
Chief Financial Officer



Johan Nyvene
Chief Executive Officer

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2014

B09-CTCK

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.

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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 2014, 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 2014 was 573 (31 December 2013: 503).

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 regulations and guidance 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 which amended Circular No. 95/2008/TT-BTC 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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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 financial year ended on 31 December 2013, except for the changes below:

On 6 October 2014, the Ministry of Finance issued Circular No. 146/2014/TT-BTC guiding the financial regime for securities companies and fund management companies ("Circular 146"). This Circular replaces the Circular No.11/200/TT-BTC dated 1 February 2000 of the Ministry of Finance guiding the financial regime for securities companies and limited companies. The Circular took effect on 21 November 2014 and applies from the fiscal year of 2014.

According to Circular 146, the market prices of securities for making provision are determined as follows:

For listed securities and securities registered for trading

- ▶ For securities listed on the Hanoi Stock Exchange, Ho Chi Minh Stock Exchange and securities which are registered for trading on UPCOM, their market prices are their closing prices on the trading day preceding the date of provision calculation.
- ▶ The market price for unlisted securities and securities unregistered for trading used as a basis for provision calculation is the average of actual trading prices incurred within one month before the date of provision calculation which are quoted by three securities companies.
If no transaction is conducted for such securities within that time limit, no provision is required.
- ▶ For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.

Accordingly, the Company has made the provision for impaired securities during the year.

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 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%

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
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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 amortization.

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 amortization 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 amortization*

Depreciation and amortization 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 amortized 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 amortized to the income statement over two (2) to forty (40) years:

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

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 recognize investments in securities at either cost or fair value. Accordingly, the Company has applied the cost method to recognize investments in securities.

3.9.1 *Short-term investments in securities*

Short-term securities either have recovery period of within one year or are 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 recognized 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 recognized 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 recognized 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. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014. Any increase or decrease in balance of provision is recognized to financial expenses for the year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

For securities listed on the Hanoi Stock Exchange, Ho Chi Minh Stock Exchange and securities which are registered for trading on UPCOM, their market prices are their closing prices on the trading day preceding the date of provision calculation.

The market price for unlisted securities and securities unregistered for trading used as a basis for provision calculation is the average of actual trading prices incurred within one month before the date of provision calculation which are quoted by three securities companies.

If no transaction is conducted for such securities within that time limit, no provision is required.

For the delisted securities and suspended trading securities from the sixth day afterward, their prices are the book value at the latest financial report date.

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 derecognized from the balance sheet. The corresponding cash received is recognized 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 recognized 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 recognized in the balance sheet. The corresponding cash paid is recognized 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 recognized in the income statement when amount is actually received.

3.12 *Payables and accruals*

Payables and accruals are recognized 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 18% 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 *Provision for severance allowance*

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 severance calculation will be revised at the end of each reporting year based on the average monthly salary of the six 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.

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. 32/2010/TT-BLĐTBXH and Decree No. 127/2008/ND-CP, since 1 January 2009, the Company is required to pay unemployment insurance at 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 recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

3.16 *Revenue recognition*

Revenue is recognized 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 recognized:

Revenue from brokerage investment

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

Revenue from securities trading

Revenue from securities trading is recognized on the basis of the difference between selling price and cost of securities sold.

Revenue from securities repurchase and reverse repurchase agreements

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

Interest

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Revenue recognition* (continued)

Dividend

Income is recognized 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 recognized by reference to the stage of completion.

Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized 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 recognized 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 recognized 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 recognized 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.

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 utilized. Previously unrecognized deferred income tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Deferred tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realized 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 recognized 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. 146/2014/TT-BTC issued by the Ministry of Finance on 6 October 2014, securities companies are required to make appropriation of profit after tax to make the following reserves:

	<i>Percentage of profit after tax</i>	<i>Maximum level</i>
Charter capital supplementary reserve	5%	10% of share capital
Financial and operational risk 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Cash on hand	719,861,313	267,071,773
Cash at banks	1,505,903,227,764	1,007,606,813,367
<i>In which:</i>		
- Cash of the Company	785,674,755,469	613,701,593,461
- Investors' deposits for securities trading (Note 17)	720,228,472,295	393,905,219,906
TOTAL	<u>1,506,623,089,077</u>	<u>1,007,873,885,140</u>

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		
- Shares	183,729,016	3,599,016,217,326
- Bonds	51,820,100	5,021,224,401,455
b. Trading results of the investors		
- Shares	7,803,988,512	153,935,631,027,504
- Bonds	451,972,983	47,875,745,052,676
TOTAL	<u>8,491,510,611</u>	<u>210,431,616,698,961</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2014

6. FINANCIAL INVESTMENTS

	Quantity (Unit)	Cost	Compared to the market value		VND Total market value
			Increase	Decrease	
Short-term investments					
- Listed shares	4,746,017	131,920,049,245	251,194,428	(5,420,132,273)	126,751,111,400
- Unlisted shares	5,576,377	147,800,913,887	812,205,615	(76,826,490,752)	71,786,628,750
TOTAL	10,322,394	279,720,963,132	1,063,400,043	(82,246,623,025)	198,537,740,150

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

	VND	
	Current year	Prior year
Beginning balance	45,382,091,656	51,002,564,282
Provision charged (Notes 20)	44,894,071,082	8,067,292,769
Reversal of provision (Notes 20)	(8,029,539,713)	(13,687,765,395)
Ending balance	82,246,623,025	45,382,091,656

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2014

6. FINANCIAL INVESTMENTS (continued)

6.2 Details of provision for short-term investments

Items	Carrying value		Decrease compared with market value		Market value		VND
	Ending balance	Beginning balance	Ending balance	Beginning balance	Ending balance	Beginning balance	
Listed shares	110,606,876,406	76,942,743,995	(5,420,132,273)	(4,340,070,456)	105,186,744,133	62,471,074,000	
Kinh Do Corporation (KDC)	69,317,596,819	133,455	(1,633,436,419)	-	67,684,160,400	153,000	
Nam Long Investment Joint Stock Company (NLG)	18,000,116,400	49,410	(240,000,000)	-	17,760,116,400	51,600	
VFMVN30 ETF (E1VFN30)	13,116,289,405	-	(615,041,405)	-	12,501,248,000	-	
Viettronics TanBinh Joint Stock Company (VTB)	8,469,329,847	8,568,893,944	(2,777,875,647)	(3,263,961,844)	5,691,454,200	5,304,932,100	
Tasco Joint Stock Company (HUT)	1,155,000,000	-	(90,000,000)	-	1,065,000,000	-	
Thang Long Investment Group (TIG)	529,000,000	186,505,125	(59,000,000)	-	470,000,000	195,150,000	
Other stocks	19,543,935	68,187,162,061	(4,778,802)	(1,076,108,612)	14,765,133	56,970,787,300	
Unlisted shares:	107,434,512,502	97,565,012,502	(76,826,490,752)	(41,042,021,200)	30,608,021,750	56,522,991,302	
Lac Viet Joint Stock Company	30,750,000,000	30,750,000,000	(22,350,000,000)	(4,350,000,000)	8,400,000,000	26,400,000,000	
Dong A Commercial Joint Stock Bank	16,967,999,502	16,967,999,502	(11,425,935,502)	(9,410,708,200)	5,542,064,000	7,557,291,302	
Tan Binh Real Estate Joint Stock Company	12,025,000,000	11,925,000,000	(5,715,000,000)	(3,825,000,000)	6,310,000,000	8,100,000,000	
Ca Mau Seafood Joint Stock Company	10,950,030,000	10,950,030,000	(10,365,030,000)	(6,562,530,000)	585,000,000	4,387,500,000	
Minh Hai Jostoco	8,000,000,000	8,000,000,000	(7,670,000,000)	(6,350,000,000)	330,000,000	1,650,000,000	
Special Aquatic Products Joint Stock Company	7,549,983,000	7,549,983,000	(5,389,983,000)	(3,229,983,000)	2,160,000,000	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	
Viendong Assurance Corporation	5,442,600,000	522,000,000	(4,302,600,000)	-	1,140,000,000	522,000,000	
Saigon Post and Telecommunications Service Corporation	4,406,400,000	-	(2,205,560,000)	-	2,200,840,000	-	
Can Tho Import-Export Seafood Joint Stock Company	4,900,000,000	4,900,000,000	(3,313,882,250)	(3,313,800,000)	1,586,117,750	1,586,200,000	
Binh Duong Pharmacy Company	442,500,000	-	(88,500,000)	-	354,000,000	-	
TOTAL	218,041,388,908	174,507,756,497	(82,246,623,025)	(45,382,091,656)	135,794,765,883	118,994,065,302	

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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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	1,390,133,377	-	1,275,517,100	564,466,298,218	(564,060,214,495)	1,796,217,100	-	1,275,517,100	1,275,517,100	
- From advisory services	1,260,266,277	-	1,145,650,000	12,392,631,089	(11,986,547,366)	1,666,350,000	-	1,145,650,000	1,145,650,000	
- From securities investments	129,867,100	-	129,867,100	552,073,667,129	(552,073,667,129)	129,867,100	-	129,867,100	129,867,100	
2. Advance to suppliers	110,262,322	-	-	4,530,389,095	(699,330,802)	3,941,320,615	-	-	-	
3. Receivables from securities trading	1,390,070,574,094	-	15,443,787,994	216,180,766,538,233	(215,544,877,355,430)	2,025,959,756,897	-	15,443,787,994	15,443,787,994	
- Margin trading (i)	1,030,851,714,723	-	-	14,646,737,149,450	(14,333,899,715,929)	1,343,689,148,244	-	-	-	
- For clearing and settlement of securities trading with Vietnam Securities Depository(ii)	246,084,956,061	-	-	197,629,069,835,068	(197,236,107,883,579)	639,046,907,550	-	-	-	
- Advances to investors (iii)	78,407,415,356	-	15,443,787,994	3,536,920,688,837	(3,572,350,934,191)	42,977,170,002	-	15,443,787,994	15,443,787,994	
- Receivables from foreign investors	475,987,954	-	-	99,304,287,135	(99,533,743,988)	246,531,101	-	-	-	
- Receivables from investors for securities trading	1,388,000,000	-	-	268,734,577,743	(270,122,577,743)	-	-	-	-	
- Deposit for purchasing securities	20,000,000,000	-	-	-	(20,000,000,000)	-	-	-	-	
- Advisory services	12,862,500,000	-	-	-	(12,862,500,000)	-	-	-	-	
4. Other receivables	33,761,288,971	6,596,660,000	-	230,326,551,778	(257,600,327,154)	6,487,513,595	-	-	-	
- Interest receivables from bank deposits	4,219,222,913	-	-	4,294,054,948	(3,308,640,885)	5,204,636,976	-	-	-	
- Reverse repurchase agreements of shares	14,451,545,784	6,596,660,000	-	-	(13,287,545,784)	1,164,000,000	-	-	-	
- Coupon receivables	13,371,627,293	-	-	5,748,822,567	(19,120,449,860)	-	-	-	-	
- Interest receivables from deposit for purchasing shares	50,000,000	-	-	5,000,000	(55,000,000)	-	-	-	-	
- Reverse repurchase agreements of bonds	-	-	-	219,172,000,000	(219,172,000,000)	-	-	-	-	
- Others	1,668,892,981	-	-	1,106,674,263	(2,656,690,625)	118,876,619	-	-	-	
TOTAL	1,425,332,258,764	6,596,660,000	16,719,305,094	216,980,089,777,324	(216,367,237,227,881)	2,038,184,808,207	-	16,719,305,094	16,719,305,094	

VND

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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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 less than three (3) months and interest rate was from 11% to 15.6% per year as at 31 December 2014.
- (ii) These represent the receivables from Vietnam Securities Depository for clearing and settlement of securities trading of investor in last three days of the year.
- (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	23,315,965,094	23,304,748,452
Provision charged for the year (Notes 21)	-	11,288,443
Reversal of provision for the year (Notes 21)	(6,596,660,000)	(71,801)
Ending balance	<u>16,719,305,094</u>	<u>23,315,965,094</u>

8. SHORT-TERM PREPAID EXPENSES

	VND	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	6,110,580,511	3,659,266,484
Increase during the year	26,020,747,717	28,717,627,537
Transfer from fixed assets	-	535,838,128
	32,131,328,228	32,912,732,149
Amortization charge for the year	(28,498,069,092)	(26,802,151,638)
Ending balance	<u>3,633,259,136</u>	<u>6,110,580,511</u>

Ho Chi Minh City Securities Corporation

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9. TANGIBLE FIXED ASSETS

			VND
	<i>Transportation vehicles</i>	<i>Office equipment</i>	<i>Total</i>
Cost:			
Beginning balance	3,474,189,544	34,958,000,316	38,432,189,860
Additions	-	1,771,832,586	1,771,832,586
Ending balance	<u>3,474,189,544</u>	<u>36,729,832,902</u>	<u>40,204,022,446</u>
<i>In which:</i>			
<i>Fully depreciated</i>			30,727,572,352
Accumulated depreciation:			
Beginning balance	2,419,997,394	30,326,474,905	32,746,472,299
Depreciation for the year	188,537,232	2,889,923,964	3,078,461,196
Ending balance	<u>2,608,534,626</u>	<u>33,216,398,869</u>	<u>35,824,933,495</u>
Net carrying amount:			
Beginning balance	<u>1,054,192,150</u>	<u>4,631,525,411</u>	<u>5,685,717,561</u>
Ending balance	<u>865,654,918</u>	<u>3,513,434,033</u>	<u>4,379,088,951</u>

10. INTANGIBLE FIXED ASSETS

	VND
	<i>Computer software</i>
Cost:	
Beginning balance	21,963,858,667
Additions	1,126,019,350
Ending balance	<u>23,089,878,017</u>
<i>In which:</i>	
<i>Fully amortized</i>	19,181,199,517
Accumulated amortization:	
Beginning balance	20,279,113,478
Amortization for the year	1,176,765,365
Ending balance	<u>21,455,878,843</u>
Net carrying amount:	
Beginning balance	<u>1,684,745,189</u>
Ending balance	<u>1,633,999,174</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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11. LONG-TERM PREPAID EXPENSES

	<u>Ending balance</u>	<u>Beginning balance</u>
Office rentals	102,144,206,606	107,196,497,946
IT services	343,369,022	-
Office renovation costs	199,544,147	541,619,831
TOTAL	<u>102,687,119,775</u>	<u>107,738,117,777</u>

Office rentals mainly include the unamortized portion of the full prepayment for lease of 1,802 square meters amounting to VND101,034,431,435 in AB Tower for the remaining period of 36 years.

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

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	107,738,117,777	113,511,817,548
Increase during the year	629,800,676	-
	108,367,918,453	113,511,817,548
Amortization charge for the year	(5,680,798,678)	(5,773,699,771)
Ending balance	<u>102,687,119,775</u>	<u>107,738,117,777</u>

12. ADVANCE TO SETTLEMENT ASSISTANCE FUND

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

According to Decision No. 45/QD-VSD dated 22 May 2014 issued by the Vietnam Securities Depository, the Company is required to deposit an initial amount of VND120 million and make an annual additional contribution of 0.01% of total value trading of dealing and brokered securities in prior year but not exceed VND2,500 million per year, with total contribution not exceed VND20 billion.

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

Initial contribution	120,000,000
Total interest received up to 2013	2,173,973,119
Total additional contribution up to 2013	9,538,610,191
Balance as at 31 December 2013	11,832,583,310
Additional contribution in 2014	1,196,683,208
Interest received in 2014	1,303,316,792
Balance as at 31 December 2014	<u>14,332,583,310</u>

13. OTHER LONG-TERM ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2014

14. STATUTORY OBLIGATIONS

No.	Items	Beginning balance	Payable in the year	Paid in the year	Ending balance
					VND
1	Corporate income tax	33,962,434,683	105,295,358,840	(123,582,104,212)	15,675,689,311
2	Personal income tax of investors	2,385,400,301	54,369,320,497	(52,132,208,585)	4,622,512,213
3	Corporate income tax of foreign investors	1,992,175,242	18,012,441,656	(17,599,870,329)	2,404,746,569
4	Foreign contractor withholding tax	155,917,607	3,558,200,696	(2,539,661,058)	1,174,457,245
5	Personal income tax of the employees	584,533,233	17,293,841,891	(16,927,610,684)	950,764,440
6	Value added tax	11,562,113	1,139,214,215	(974,675,153)	176,101,175
7	Business registered tax	-	8,500,000	(8,500,000)	-
		39,092,023,179	199,676,877,795	(213,764,630,021)	25,004,270,953

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
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15. ACCRUED EXPENSES

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Allowance for working performance payable to employees	18,000,000,000	12,000,000,000
Brokerage fee payables to Stock Exchange	4,413,444,803	2,998,338,694
Other accrued expenses	2,095,629,792	5,043,077,969
TOTAL	<u>24,509,074,595</u>	<u>20,041,416,663</u>

16. OTHER PAYABLES

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Dividend payables to shareholders	67,067,361,859	3,222,562,754
Trade union fee	1,970,347,488	1,800,678,317
Unemployment insurance	109,286,769	58,777,736
Social insurance and health insurance	58,817,736	45,241,318
Other payables	1,495,242,070	519,422,573
TOTAL	<u>70,701,055,922</u>	<u>5,646,682,698</u>

17. PAYABLES FOR SECURITIES TRADING

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Investors' deposits for securities trading	720,228,472,295	393,905,219,906
Payables to investor for selling transactions	639,100,199,500	190,000,000,000
Deposits for purchasing of shares	7,171,200,000	-
Payables from deposit for share auction	-	185,761,400
TOTAL	<u>1,366,499,871,795</u>	<u>584,090,981,306</u>

18. OWNERS' EQUITY

18.1 Share capital

	VND	
	<u>Ending balance</u>	<u>Beginning balance</u>
Contributed by shareholders	1,272,567,580,000	1,272,567,580,000
Share premium	310,343,798,499	310,343,798,499
Treasury shares	(327,808,838)	(123,551,893)
TOTAL	<u>1,582,583,569,661</u>	<u>1,582,787,826,606</u>

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
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18. OWNERS' EQUITY

18.2 Dividends

	VND	
	<u>Current year</u>	<u>Previous year</u>
Dividends paid during the financial year		
- Dividends paid for previous years	19,200,000	629,577,200
- 2 nd dividends for 2012: VND1,500 per share	-	150,716,972,250
- Interim dividends for 2013: VND500 per share	-	50,440,274,375
- 2 nd dividends for 2013: VND1,200 per share	152,426,341,195	-
TOTAL	<u>152,445,541,195</u>	<u>201,786,823,825</u>

18.3 Shares

	<u>Ending balance Share</u>	<u>Beginning balance Share</u>
Authorised shares	127,256,758	127,256,758
Issued shares		
<i>Issued and paid-up shares</i>		
Ordinary shares	127,256,758	127,256,758
Treasury shares		
<i>Held by the Company</i>		
Ordinary shares	27,175	7,038
Outstanding shares		
Ordinary shares	127,229,583	127,249,720

19. OTHER REVENUE

	VND	
	<u>Current year</u>	<u>Previous year</u>
Revenue from margin trading	244,351,278,978	152,720,941,753
Interest income from bank deposits	67,240,846,714	90,726,657,494
Revenue from advances to investors	4,434,997,453	2,943,006,362
Revenue from reverse repurchase agreements	3,040,279,838	6,316,753,467
Accrued interest from deposit contract for purchasing shares	55,000,000	5,585,000,000
Other revenues	2,271,621,008	1,408,446,164
TOTAL	<u>321,394,023,991</u>	<u>259,700,805,240</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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20. OPERATING EXPENSES

	VND	
	<u>Current year</u>	<u>Previous year</u>
Staff cost	92,922,418,194	58,213,022,191
Brokerage expenses	59,515,773,909	41,964,185,262
External services	26,494,009,818	25,207,165,923
Loss on securities trading (*)	16,384,828,032	10,299,662,366
External management consultancy fee	12,560,055,469	13,363,639,368
Cost of repurchase agreements of bonds	4,186,202,543	18,056,253,211
Security custodian expenses	3,559,399,407	3,842,101,835
Interest expenses	2,302,083,333	-
Depreciation and amortization	1,645,673,885	2,692,159,372
Material and tool expenses	1,279,280,378	502,313,030
Interest of issued bonds	-	6,237,784,807
Other expenses	4,569,998,112	1,912,812,847
Provision for impairment of investments	44,894,071,082	8,067,292,769
Reversal of provision for impairment of investments	(8,029,539,713)	(13,687,765,395)
TOTAL	<u>262,284,254,449</u>	<u>176,670,627,586</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 recognized in revenue from securities investment and losses (selling price is lower than purchased cost) are recognized in securities investment expenses.

21. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<u>Current year</u>	<u>Previous year</u>
Staff cost	54,000,342,982	45,263,635,002
Office rental	15,486,840,239	16,215,281,867
External services	17,405,906,453	13,971,680,472
Depreciation and amortization	2,609,552,676	5,131,874,123
Office supplies	652,149,080	233,916,726
Office renovation expenses	415,980,096	532,691,887
Taxes and other fees	251,997,184	346,752,944
Other expenses	3,181,612,667	1,671,357,080
Provision for doubtful debts	-	11,288,443
Reversal of provision for doubtful debts	(6,596,660,000)	(71,801)
TOTAL	<u>87,407,721,377</u>	<u>83,378,406,743</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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22. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits (2013: 25%).

The Company's results have been already assessed by tax authorities up to the year 2013.

22.1 Current corporate income tax expense

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 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.

Provision for current CIT for the year is computed as follows:

	<i>Current year</i>	<i>Previous year</i>
	<i>VND</i>	
Profit before tax	481,447,406,089	375,428,362,311
Adjustments to increases (decreases) accounting profit		
<i>Adjustments to increases:</i>		
- Non-deductible expenses	1,292,420,014	761,925,168
<i>Adjustments to decreases:</i>		
- Tax-exempt dividend income	(4,124,558,645)	(2,759,257,235)
- Reversal of provision for impairment of unlisted securities	-	(414,823,992)
Current taxable profit	478,615,267,458	373,016,206,252
Estimated current CIT	105,295,358,840	93,254,051,563
CIT payable at the beginning of the year	33,962,434,683	9,445,541,826
CIT paid during the year	(123,582,104,212)	(68,737,158,706)
CIT payable at the end of the year	15,675,689,311	33,962,434,683

22.2 Deferred corporate income tax

There was no deferred tax recognized as at 31 December 2014 since there are no significant identified temporary differences between the carrying value and the tax base of assets and liabilities in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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23. TRANSACTIONS WITH RELATED PARTIES

List of the related parties and the relationship with the Company are as follows:

<i>Related parties</i>	<i>Relationship</i>
Dragon Capital Markets Limited (DC)	Strategic shareholder – holding 30.87% of share capital. The Company's Vice Chairman of the Board of Directors is the Deputy Director of DC. The Company's member of the Board of Directors, cum Chief Executive Officer is representative for DC's shares.
Ho Chi Minh Finance and Investment State-owned Company (HFIC)	Strategic shareholder – holding 29.47% of share capital. The Company's Vice Chairman of the Board of Directors is the Deputy Director of HFIC. The Company's member of the Board of Directors is Head of Planning Department at HFIC.
Vietnam Debt Fund SPC (VDF)	DC's subsidiary
Vietnam Enterprise Investments	DC's subsidiary
Amersham Industries Limited	DC's subsidiary
Vietnam Property Fund Limited	DC's subsidiary
Cam Vietnam Mother Fund	DC's subsidiary
DC Developing Markets Strategies Public Limited Company	DC's subsidiary

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	2 nd dividend of 2013	47,134,572,000
		1 st dividend of 2014	19,639,405,000
		Advisory expenses	10,710,271,469
		Selling bonds	55,583,000,000
		Brokerage service - Selling securities	115,725,500,000
		Brokerage service - Purchasing securities	30,150,000,000
		Brokerage income	23,145,100
Ho Chi Minh City Fund and Investment Corporation (HFIC)	Strategic shareholder	2 nd dividend of 2013	45,000,000,000
		1 st dividend of 2014	18,750,000,000
		Brokerage service - Selling securities	54,776,917,000
		Brokerage income	82,165,414
Vietnam Debt Fund SPC.	Related parties	Brokerage service - Selling securities	234,358,000,000
		Brokerage service - Purchasing securities	55,583,000,000
		Brokerage income	57,988,200
		Purchasing bonds under reverse repurchase agreement	50,000,000,000
		Selling bonds under repurchase agreement	45,201,933,330

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
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24. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<u>Related parties</u>	<u>Relationship</u>	<u>Transactions</u>	<u>VND</u> <u>Amounts</u>
Vietnam Enterprise Investments Limited	Related parties	Brokerage service - Selling securities	1,108,671,899,800
		Brokerage service - Purchasing securities	626,913,839,100
		Brokerage income	2,603,378,913
Amersham Industries Limited	Related parties	Brokerage service - Selling securities	957,086,392,360
		Brokerage service - Purchasing securities	270,424,735,000
		Brokerage income	1,901,266,983
Vietnam Property Fund Limited	Related parties	Brokerage service - Selling securities Brokerage income	112,611,773,480 168,917,661
Cam Vietnam Mother Fund	Related parties	Brokerage service - Selling securities	425,575,360,752
		Brokerage service - Purchasing securities	78,901,910,000
		Brokerage income	686,055,914
DC Developing Markets Strategies Public Limited Company	Related parties	Brokerage service - Purchasing securities	72,622,537,000
		Brokerage service - Selling securities	43,765,257,000
		Brokerage income	174,581,761

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

<u>Related parties</u>	<u>Relationship</u>	<u>Transactions</u>	<u>VND</u> <u>Payables</u>
Ho Chi Minh City Fund and Investment Corporation (HFIC)	Strategic shareholder	1 st dividend of 2014	19,639,405,000
Ho Chi Minh City Fund and Investment Corporation (HFIC)	Strategic shareholder	1 st dividend of 2014	18,750,000,000
		Deposits for trading securities	24,418,485

Transactions with other related parties

Remuneration to members of the Board of Directors and Management for the financial year ended 31 December 2014 was VND18,398,371,308 (including personal income tax and compulsory insurances).

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the financial year ended 31 December 2014

24. SEGMENT INFORMATION

Business segment

	Brokerage and customer services	Trading	Advisory services	Treasury activities	Other segments	Unallocated	Total
							VND
<i>For the financial year ended</i>							
<i>31 December 2014</i>							
1. Revenue from operating activities	302,934,669,925	194,425,395,876	12,362,171,402	319,067,402,983	2,345,650,820	-	831,135,291,006
2. Direct costs	119,672,297,267	22,718,800,488	643,575,084	200,924,959,704	1,477,116,722	-	345,436,749,265
3. Depreciation and amortization	1,392,864,917	2,919,314	1,152,734	2,807,000,406	51,289,190	-	4,255,226,561
4. Other income	-	-	-	-	4,090,909	-	4,090,909
Profit before tax	181,869,507,741	171,703,676,074	11,717,443,584	115,335,442,873	821,335,817	-	481,447,406,089
<i>As at 31 December 2014</i>							
1. Segment assets	656,559,788,302	197,474,340,107	1,666,350,000	2,882,931,742,129	1,403,366,265	-	3,740,035,586,803
2. Allocated assets	84,167,293,483	1,160,928,186	2,321,856,372	1,934,880,310	21,283,683,410	-	110,868,641,761
3. Unallocated assets	-	-	-	-	-	8,462,795,565	8,462,795,565
Total assets	740,727,081,785	198,635,268,293	3,988,206,372	2,884,866,622,439	22,687,049,675	8,462,795,565	3,859,367,024,129
1. Segment liabilities	1,372,563,431,024	-	-	-	1,354,526,188	-	1,373,917,957,212
2. Unallocated liabilities	-	-	-	-	-	127,218,457,525	127,218,457,525
Total liabilities	1,372,563,431,024	-	-	-	1,354,526,188	127,218,457,525	1,501,136,414,737

Geographical segment

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

Ho Chi Minh City Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
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25. 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.
- Transaction office at 1st Floor, Centre Point Building, 106 Nguyen Van Troi, Ward 8, Phu Nhuan District.
- Warehouse for archiving documents at 81, Street No.42, Binh Trung Dong Ward, District 2.

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.
- Transaction office at 6th Floor, Vinaconex Building, 34 Lang Ha, Lang Ha 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 2014 under the operating lease agreements is as follows:

	<i>Ending balance</i>	<i>Beginning balance</i>
		<i>VND</i>
Less than 1 year	10,113,773,140	7,924,500,060
From 1 - 5 years	23,221,002,507	9,692,937,830
Over 5 years	354,665,228	-
TOTAL	33,689,440,875	17,617,437,890

26. 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</i>
Net profit after tax attributable to ordinary equity holders for basic earnings - VND	376,152,047,249	282,174,310,748
Weighted average number of ordinary shares for basic earnings per share	127,232,806	125,926,782
Basic earnings per share - VND	2,956	2,241

27. 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 2014 and 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 2014 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.

As at reporting date, the exposure to listed equity securities at fair value was VND126,751,111,400. 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.

27. 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.

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27. 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:

	<u>On demand</u>	<u>Less than 1 year</u>	<u>VND Total</u>
Ending balance			
Payables to securities transactions	1,359,328,671,795	7,171,200,000	1,366,499,871,795
Accrued expenses	-	6,509,074,595	6,509,074,595
Other short-term payables	2,751,650,573	68,995,722,012	71,747,372,585
	<u>1,362,080,322,368</u>	<u>82,675,996,607</u>	<u>1,444,756,318,975</u>
Beginning 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>814,259,394,611</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

The Company has held customers' securities as collaterals for the trade receivables from customers as at 31 December 2014 and at 31 December 2013.

28. 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 recognized 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 recognized 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 recognized at fair value through profit and loss.

28. 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 recognized 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 amortized cost*
Financial liabilities not categorized as such recorded at fair value through profit and loss will be classified as such determined at amortized cost.

28. 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	131,920,049,245	278,096,882,985	126,751,111,400	332,092,081,800	
Unlisted shares	147,800,913,887	119,368,639,502	71,786,628,750	78,326,618,302	
- Held-to-maturity investment					
Short term deposit	1,482,000,000,000	978,900,000,000	1,482,000,000,000	978,900,000,000	
Trade receivable and other receivables	2,038,811,977,052	1,428,468,801,970	(*)	(*)	
Available for sales financial assets					
- Available for sale securities					
Bonds	-	229,370,665,250	-	(*)	
Cash and cash equivalents	24,623,089,077	28,973,885,140	24,623,089,077	28,973,885,140	
Total	3,825,156,029,261	3,063,178,874,847			
Financial liabilities					
Payables to securities transactions	1,366,499,871,795	584,090,981,306	(*)	(*)	
Accrued liabilities	6,509,074,595	7,993,566,663	(*)	(*)	
Repurchase agreement of Government bonds	-	217,478,509,568	(*)	(*)	
Other short-term payable	71,747,372,585	4,696,337,074	(*)	(*)	
Total	1,444,756,318,975	814,259,394,611			

(*) 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.

