

# **Ho Chi Minh City Securities Corporation**

Interim financial statements

30 June 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 Ho Chi Minh City Department of Planning and Investment on 23 April 2003 and Business License No. 11/UBCK-GPHDKD issued by the State Securities Commission on 29 April 2003.

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

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

### BOARD OF DIRECTORS

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

Mr. Vo Van Chau	Head	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

### BOARD OF MANAGEMENT

Members of the Board of Management during the period 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	Acting Deputy Chief Executive Officer	Appointed on 4 April 2012
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. Edward Alexander Gordon	Managing Director	Appointed on 29 October 2012
Mr. Arnold V. Pangilinan	Managing Director	Appointed on 12 November 2012

### LEGAL REPRESENTATIVE

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

### AUDITORS

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

# Ho Chi Minh City Securities Corporation

## REPORT OF THE BOARD OF MANAGEMENT

Management of Ho Chi Minh City Securities Corporation (“the Company”) is pleased to present its report and the interim financial statements of the Company as at for the six-month period ended 30 June 2013.

### MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

Management is responsible for the interim financial statements of each financial period which give a true and fair view of the interim state of affairs of the Company and of the interim results of its operations and its interim cash flows in the period. In preparing those interim 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 interim financial statements; and
- ▶ prepare the interim 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 interim 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 interim financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim financial statements give a true and fair view of the interim financial position of the Company as at 30 June 2013 and of the interim results of its operations and its interim cash flows for the six-month period 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 relevant statutory requirements.

For and on behalf of Management:



Mr. Johan Nyvene  
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2013



Reference: 60790272/16378373

## REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**To: The Shareholders of Ho Chi Minh City Securities Corporation**

We have reviewed the interim financial statements of Ho Chi Minh City Securities Corporation ("the Company") as set out on pages 4 to 42 which comprise the interim balance sheet as at 30 June 2013, the interim income statement, the interim cash flow statement and the interim statement of changes in equity for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing 910 - Engagements to review financial statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free from material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the interim financial position of the Company as at 30 June 2013, and of the interim results of its operations and its interim cash flows for the six-month period 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 and comply with relevant statutory requirements.



**Ernst & Young Vietnam Limited**

Mai Viet Hung Tran  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 0048-2013-004-1

Le Thi Thanh Ha  
Auditor  
Audit Practicing Registration  
Certificate No. 1600-2013-004-1

Ho Chi Minh City, Vietnam

12 August 2013

# Ho Chi Minh City Securities Corporation

INTERIM BALANCE SHEET  
as at 30 June 2013

B01a-CTCK

VND

Code	ASSETS	Notes	30 June 2013	31 December 2012
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>3,333,513,047,743</b>	<b>2,585,109,719,671</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>1,615,569,868,445</b>	<b>1,794,202,976,893</b>
111	1. Cash		1,615,569,868,445	1,794,202,976,893
112	2. Cash equivalents		-	-
<b>120</b>	<b>II. Short-term financial investments</b>	<b>6.1</b>	<b>422,008,573,534</b>	<b>152,323,020,894</b>
121	1. Short-term investments		468,118,023,666	203,325,585,176
129	2. Provision for short-term investments		(46,109,450,132)	(51,002,564,282)
<b>130</b>	<b>III. Short-term receivables</b>	<b>7</b>	<b>1,291,311,290,040</b>	<b>634,679,079,188</b>
131	1. Trade receivables		1,294,717,105	1,410,917,105
132	2. Advances to suppliers		184,396,227	353,848,252
135	3. Receivables from securities trading activities		1,201,188,666,936	552,121,896,930
138	4. Other receivables		111,465,946,667	104,097,165,353
139	5. Provision for doubtful debts		(22,822,436,895)	(23,304,748,452)
<b>150</b>	<b>IV. Other current assets</b>		<b>4,623,315,724</b>	<b>3,904,642,696</b>
151	1. Short-term prepaid expenses	8	4,457,366,812	3,659,266,484
158	2. Other current assets		165,948,912	245,376,212
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>852,770,322,548</b>	<b>613,825,595,743</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>7,633,743,972</b>	<b>11,911,394,466</b>
221	1. Tangible fixed assets	9	6,151,254,136	9,858,897,465
222	- Cost		41,485,350,423	41,738,040,089
223	- Accumulated depreciation		(35,334,096,287)	(31,879,142,624)
227	2. Intangible fixed assets	10	1,482,489,836	2,052,497,001
228	- Cost		21,268,890,024	21,084,673,883
229	- Accumulated amortisation		(19,786,400,188)	(19,032,176,882)
<b>250</b>	<b>II. Long-term investments</b>		<b>719,634,736,231</b>	<b>475,293,967,755</b>
253	1. Long-term securities		719,634,736,231	475,293,967,755
254	- Available-for-sale securities	6.2	719,634,736,231	475,293,967,755
<b>260</b>	<b>III. Other long-term assets</b>		<b>125,501,842,345</b>	<b>126,620,233,522</b>
261	1. Long-term prepaid expenses	11	110,435,301,281	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
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,186,283,370,291</b>	<b>3,198,935,315,414</b>



# Ho Chi Minh City Securities Corporation

INTERIM BALANCE SHEET (continued)  
as at 30 June 2013

B01a-CTCK

VND

Code	RESOURCES	Notes	30 June 2013	31 December 2012
<b>300</b>	<b>A. LIABILITIES</b>		<b>2,066,058,495,996</b>	<b>1,036,421,290,135</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,956,058,495,996</b>	<b>926,421,290,135</b>
312	1. Trade payables		1,178,868,994	1,839,982,323
314	2. Statutory obligations	14	24,804,228,840	12,434,392,518
316	3. Accrued expenses	15	37,677,564,547	33,992,178,397
319	4. Other payables	16	8,899,502,305	6,060,371,210
320	5. Payables for securities trading	17	1,306,232,103,808	688,781,849,995
321	6. Dividend, principal and coupon payables		6,709,012,620	4,534,730,890
323	7. Bonus and welfare fund		18,464,077,708	15,582,206,561
327	8. Payables for buying/selling Government bonds	18	552,093,137,174	163,195,578,241
<b>330</b>	<b>II. Non-current liabilities</b>		<b>110,000,000,000</b>	<b>110,000,000,000</b>
334	1. Long-term loans and debts	19	110,000,000,000	110,000,000,000
<b>400</b>	<b>B. OWNERS' EQUITY</b>	<b>20</b>	<b>2,120,224,874,295</b>	<b>2,162,514,025,279</b>
<b>410</b>	<b>I. Capital</b>		<b>2,120,224,874,295</b>	<b>2,162,514,025,279</b>
411	1. Share capital		1,008,486,370,000	1,008,486,370,000
412	2. Share premium		560,834,915,000	560,834,915,000
414	3. Treasury shares		(5,704,507,724)	(5,165,052,464)
417	4. Investment and development fund		3,961,374,994	3,961,374,994
418	5. Financial reserve		116,409,099,437	116,409,099,437
420	6. Undistributed earnings		436,237,622,588	477,987,318,312
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>4,186,283,370,291</b>	<b>3,198,935,315,414</b>

# Ho Chi Minh City Securities Corporation

INTERIM BALANCE SHEET (continued)  
as at 30 June 2013

B01a-CTCK

## OFF BALANCE SHEET ITEMS

VND

Code	ITEMS	30 June 2013	31 December 2012
<b>004</b>	<b>1. Bad debts written off</b>	<b>345,059,000</b>	<b>345,059,000</b>
<b>005</b>	<b>2. Foreign currencies</b>	<b>630,984,013</b>	<b>135,378,184</b>
<b>006</b>	<b>3. Custody securities</b>	<b>8,467,729,410,000</b>	<b>8,042,430,840,000</b>
	<i>Including:</i>		
007	3.1. <i>Trading securities</i>	7,742,901,880,000	7,208,242,770,000
008	3.1.1. Trading securities of custody investors	331,407,350,000	174,413,390,000
009	3.1.2. Trading securities of local investors	7,251,834,140,000	6,810,498,330,000
010	3.1.3. Trading securities of foreign investors	159,660,390,000	223,331,050,000
012	3.2. <i>Temporarily unprocessed securities</i>	15,925,180,000	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	13,685,180,000	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>	193,361,350,000	387,731,900,000
019	3.3.1. Mortgaged securities of local investors	169,753,250,000	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>	473,730,580,000	382,581,400,000
028	3.4.1. Securities awaiting settlement of custody investors	1,547,600,000	4,188,900,000
029	3.4.2. Securities awaiting settlement of local investors	471,610,080,000	377,834,500,000
030	3.4.3. Securities awaiting settlement of foreign investors	572,900,000	558,000,000
032	3.5. <i>Blocked securities waiting for releases</i>	1,793,960,000	-
034	3.5.1. Blocked securities waiting for releases of local investors	1,793,960,000	-
037	3.6. <i>Securities waiting for trading</i>	40,016,460,000	2,419,200,000
038	3.6.1. Securities waiting for trading of custody investors	17,698,040,000	-
039	3.6.2. Securities waiting for trading of local investors	11,692,770,000	2,226,240,000
040	3.6.3. Securities waiting for trading of foreign investors	10,625,650,000	192,960,000



# Ho Chi Minh City Securities Corporation

INTERIM BALANCE SHEET (continued)  
as at 30 June 2013

B01a-CTCK

## OFF BALANCE SHEET ITEMS (continued)

VND

Code	ITEMS	30 June 2013	31 December 2012
<b>050</b>	<b>4. Custody securities of unlisted public companies</b>	<b>276,347,620,000</b>	<b>225,238,530,000</b>
	<i>Including:</i>		
051	4.1. Trading securities	275,051,420,000	201,715,390,000
052	4.1.1. Trading securities of custody investors	2,935,890,000	2,934,790,000
053	4.1.2. Trading securities of local investors	271,024,050,000	196,498,330,000
054	4.1.3. Trading securities of foreign investors	1,091,480,000	2,282,270,000
056	4.2. Temporarily unprocessed securities	645,000,000	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	291,000,000	6,318,430,000
071	4.3. Securities waiting for settlement	142,200,000	106,410,000
073	4.3.1. Securities waiting for settlement of local investors	142,200,000	106,410,000
076	4.4. Blocked securities waiting for releases	509,000,000	16,744,300,000
078	4.4.1. Blocked securities waiting for releases of local investors	509,000,000	16,744,300,000
<b>083</b>	<b>5. Non-custody securities held of securities companies</b>	<b>96,655,951,000</b>	<b>49,814,920,000</b>



Ms. Ho Thi Thu Thao  
Preparer



Mr. Lam Huu Ho  
Chief Financial Officer



Mr. Johan Nyvene  
Chief Executive Officer

Ho Chi Minh City, Vietnam  
12 August 2013

# Ho Chi Minh City Securities Corporation

INTERIM INCOME STATEMENT  
for the six-month period ended 30 June 2013

B02a-CTCK

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2013	For the six-month period ended 30 June 2012
<b>01</b>	<b>1. Revenue</b>		<b>293,851,917,420</b>	<b>332,574,143,344</b>
	<i>Including:</i>			
01.1	Revenue from brokerage services		91,344,856,470	89,404,773,892
01.2	Revenue from securities investments		58,354,533,536	20,638,611,599
01.3	Revenue from underwriting services		-	-
01.4	Revenue from securities issuance services		-	-
01.5	Revenue from financial advisory services		1,308,209,168	11,274,324,055
01.6	Revenue from custodian services		1,909,529,900	1,646,092,549
01.7	Revenue from public offering on trust services		-	-
01.8	Revenue from assets for lease		-	-
01.9	Other revenue	21	140,934,788,346	209,610,341,249
<b>02</b>	<b>2. Deductions</b>		-	-
<b>10</b>	<b>3. Net revenues from operating activities</b>		<b>293,851,917,420</b>	<b>332,574,143,344</b>
<b>11</b>	<b>4. Operating expenses</b>	<b>22</b>	<b>(85,798,059,540)</b>	<b>(85,943,412,475)</b>
<b>20</b>	<b>5. Gross profit from operating activities</b>		<b>208,053,857,880</b>	<b>246,630,730,869</b>
<b>25</b>	<b>6. General and administrative expenses</b>	<b>23</b>	<b>(43,571,314,887)</b>	<b>(42,362,250,656)</b>
<b>30</b>	<b>7. Net profit from operating activities</b>		<b>164,482,542,993</b>	<b>204,268,480,213</b>
31	8. Other income		80,153,424	-
32	9. Other expenses		-	(41,038,912)
<b>40</b>	<b>10. Other profit (loss)</b>		<b>80,153,424</b>	<b>(41,038,912)</b>
<b>50</b>	<b>11. Profit before tax</b>		<b>164,562,696,417</b>	<b>204,227,441,301</b>
<b>51</b>	<b>12. Current corporate income tax expense</b>	<b>24.1</b>	<b>(40,761,461,712)</b>	<b>(40,153,690,090)</b>
<b>52</b>	<b>13. Deferred income tax expense</b>		-	-
<b>60</b>	<b>14. Net profit after tax</b>		<b>123,801,234,705</b>	<b>164,073,751,211</b>
<b>70</b>	<b>15. Basic earnings per share</b>	<b>28</b>	<b>1,231</b>	<b>1,656</b>



Ms. Ho Thi Thu Thao  
Preparer



Mr. Lam Huu Ho  
Chief Financial Officer




Mr. Johan Nyvene  
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2013



# Ho Chi Minh City Securities Corporation

INTERIM CASH FLOW STATEMENT  
for the six-month period ended 30 June 2013

B03a-CTCK

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2013	For the six-month period ended 30 June 2012
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Net profit before tax</b>		<b>164,562,696,417</b>	<b>204,227,441,301</b>
	<b>2. Adjustments for:</b>			
02	- Depreciation	9, 10	4,990,836,803	25,986,702,003
03	- Provisions	22, 23	(5,375,425,707)	(1,510,724,935)
05	- Profits from investing activities		(91,588,426,651)	(97,228,634,779)
06	- Interest expense		15,545,228,526	12,429,187,757
08	<b>3. Operating profit before changes in working capital</b>		<b>88,134,909,388</b>	<b>143,903,971,347</b>
09	- (Increase) decrease in receivables		(652,937,197,758)	437,821,426,463
10	- Increase in short-term investments		(264,792,438,490)	(1,239,257,861)
11	- Increase in payables (other than interest, corporate income tax)		1,010,001,923,789	448,254,558,702
12	- Decrease (increase) in prepaid expenses		2,278,415,939	(11,755,291,207)
13	- Interest paid		(11,037,710,579)	(2,172,222,222)
14	- Corporate income tax paid	24.1	(30,183,476,956)	(30,315,627,106)
16	- Other cash outflows from operating activities		(10,430,591,600)	(27,602,167,433)
20	<b>Net cash flows from operating activities</b>		<b>131,033,833,733</b>	<b>956,895,390,683</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchase and construction of fixed assets and other long-term assets		(759,941,976)	(2,582,500,713)
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		(649,883,768,476)	-
24	4. Collections from borrowers and proceeds from sale of debt instruments of other entities		414,416,609,590	-
27	5. Interest and dividends received		76,909,271,191	106,054,839,500
30	<b>Net cash flows (used in) from investing activities</b>		<b>(159,178,229,671)</b>	<b>103,472,338,787</b>



# Ho Chi Minh City Securities Corporation

INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2013

B03a-CTCK

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2013	For the six-month period ended 30 June 2012
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	1. Capital contribution and issuance of shares		-	10,000,000,000
32	2. Capital redemption		(955,260)	(1,098,114)
34	3. Repayment of borrowings		-	(50,000,000,000)
36	4. Dividends paid to equity holders	20.3	(150,487,757,250)	(159,652,618,245)
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(150,488,712,510)</b>	<b>(199,653,716,359)</b>
<b>50</b>	<b>Net cash flows in the period</b>		<b>(178,633,108,448)</b>	<b>860,714,013,111</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>4</b>	<b>1,794,202,976,893</b>	<b>673,986,246,531</b>
<b>70</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>1,615,569,868,445</b>	<b>1,534,700,259,642</b>



Ms. Ho Thi Thu Thao  
Preparer



Mr. Lam Huu Ho  
Chief Financial Officer




Mr. Johan Nyvene  
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2013

# Ho Chi Minh City Securities Corporation

## INTERIM STATEMENT OF CHANGES IN EQUITY for the six-month period ended on 30 June 2013

B05a-CTCK

VND

ITEMS	Notes	Beginning balance		Movements				Ending Balance	
		1 January 2012	1 January 2013	For the six-month period ended 30 June 2012		For the six-month period ended 30 June 2013		30 June 2012	30 June 2013
				Increase	Decrease	Increase	Decrease		
1. Share capital	20	998,486,370,000	1,008,486,370,000	10,000,000,000	-	-	-	1,008,486,370,000	1,008,486,370,000
2. Share premium	20	560,834,915,000	560,834,915,000	-	-	-	-	560,834,915,000	560,834,915,000
3. Treasury shares	20	(4,648,924,200)	(5,165,052,464)	(147,118,114)	-	(539,455,260)	-	(4,796,042,314)	(5,704,507,724)
4. Investment and development fund		3,961,374,994	3,961,374,994	-	-	-	-	3,961,374,994	3,961,374,994
5. Financial reserve		91,771,047,055	116,409,099,437	-	-	-	-	91,771,047,055	116,409,099,437
6. Undistributed earnings		378,562,918,156	477,987,318,312	164,073,751,211	(72,032,919,781)	123,801,234,705	(165,550,930,429)	470,603,749,586	436,237,622,588
<b>TOTAL</b>		<b>2,028,967,701,005</b>	<b>2,162,514,025,279</b>	<b>173,926,633,097</b>	<b>(72,032,919,781)</b>	<b>123,261,779,445</b>	<b>(165,550,930,429)</b>	<b>2,130,861,414,321</b>	<b>2,120,224,874,295</b>



Ms. Ho Thi Thu Thao  
Preparer



Mr. Lam Huu Ho  
Chief Financial Officer





Mr. Johan Nyvene  
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2013



# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
as at 30 June 2013 and for the six-month period then ended

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## 1. CORPORATE INFORMATION

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

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

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

The number of the Company's employees as at 30 June 2013 was 504 persons (31 December 2012: 509 persons).

## 2. BASIS OF PREPARATION

### 2.1 *Accounting Standards and System*

The interim financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with the accounting policies applicable to securities companies according to Circular No. 95/2008/TT-BTC issued on 24 October 2008, Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance, Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other 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).

Accordingly, the accompanying interim balance sheet, interim income statement, interim cash flow statement, interim statement of changes in equity and related notes, including their utilisation 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 interim financial position, interim result of operations, and interim cash flows 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 *Interim financial statements*

The Company prepares the interim financial statements for the period from 1 January to 30 June.

### 2.5 *Accounting currency*

The Company maintains its accounting records in VND.



# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

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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 interim financial statements are consistent with those followed in the preparation of the Company's annual interim financial statements for the prior financial periods.

### 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 always presented at cost in the following periods.

Receivables are subject to review for impairment based on their overdue periods of the receivables or estimated loss arising from current debts of customers being economic organizations which have bankruptcy or are undergoing dissolution procedures; or being individuals who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. Increases or decreases to the provision balance are recorded as "General and administrative expenses" in the interim income statement.

The Company has made provision for doubtful receivables 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%

### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises 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 interim income statement as incurred.

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

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

# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

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## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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 equipments	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 interim 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 interim balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the interim income statement over two (2) to thirty seven (37) years:

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

### 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 model to recognise investments in securities.

#### 3.9.1 Short-term investments in securities

Short-term investments in securities are investments in securities with recovery period of within one year or held for trading purposes ("trading securities"). 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 interim income statement.



# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

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## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.9 *Investments in securities* (continued)

#### 3.9.2 *Long-term investments in securities*

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

Held-to-maturity securities are non-derivative and have predetermined interim 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 has recovered a majority of cost of securities based on the repayment schedule or received earlier than the maturity date; or
- ▶ Subject to a non-controllable event of the Company which incurs one time only and unpredictably.

Available-for sale securities are non-derivative which are not classified as held-to-maturity securities and trading securities.

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

#### 3.10 *Provision for impairment of securities investments*

Provision for impairment of securities investments is made for individual stocks when the market value is lower than original cost. Provision for transferable securities is the difference between the original cost and market value of the securities at the interim 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 period.

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 30 June 2013.

The market values of unlisted shares which have been 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 have not been registered on the unlisted public companies market (UPCoM) are the average public price quotations obtained from at least three (3) reputable and large securities companies in the market.

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



**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.11 Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specified future date ("repos") are not de-recognised from the interim balance sheet. The corresponding cash received is recognised in the interim balance sheet as a "repurchase agreements" (if any), reflecting its economic substance as a loan to the Company. The difference between the sale price and repurchase price is treated 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") are not recognised in the interim balance sheet. The corresponding cash paid is recognised in the interim balance sheet as a "reverse repurchase agreements". 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 agreements, this difference is not accrued and recognised in the Company's interim results of operations until the payment 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 Severance pay and retrenchment pay**

*Severance pay:* According to Article 42 of the Labour Code, amended on 2 April 2002, the Company is obliged to pay a severance pay to employee at half month's basic salary for each year of employment plus other remuneration (if any) up to 31 December 2008.

*Retrenchment pay:* According to Article 17 of the Labour Code, the Company is obliged to pay retrenchment pay for employees who lost their jobs due to restructuring or technological changes. In this case, the Company will be obliged to pay retrenchment pay for a total amount equivalent to one month's salary for each year of employment, but not less than two months' salary.

**3.13.3 Unemployment benefits**

According to Circular No. 04/2009/TT-BLĐTBXH and Decree No. 127/2008/NĐ-CP, since 1 January 2009, the Company is required to pay unemployment insurance at the rate of 1% of salary of employees and deduct 1% from each employee's basic salary to make contribution to the Unemployment Insurance Fund.

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 interim 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 transaction date and revaluation at interim balance sheet date are charged to the interim 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. The following specific recognition criteria must also be met before revenue is recognised:

*Revenue from brokerage services*

Revenue from brokerage services is recognised in the interim income statement when the securities transaction of the customer has been processed.

*Revenue from securities investment*

Revenue from securities investment is recognised 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 recognised over the life of the agreement using the straight-line method.

*Interest*

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

*Dividends*

Income is recognised when the Company's entitlement as an investor to receive the dividends is established, except for dividends received in shares, in which case dividend income is not recognised, and only the number of shares received will be reflected in the share portfolio.

*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. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.18 Taxation**

*Current income tax*

Current income tax assets and liabilities for the current and prior periods 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 interim balance sheet date.

Current income tax is charged or credited to the interim 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 interim 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 utilised, 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 utilised. Previously unrecognised deferred income tax assets are reassessed at each interim 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 is realised or the liability is settled based on tax rates and tax laws that have been enacted at the interim balance sheet date.

Deferred tax is charged or credited to the interim 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.

# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

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## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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 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 Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

## 4. CASH AND CASH EQUIVALENTS

	VND	
	<i>30 June 2013</i>	<i>31 December 2012</i>
Cash on hand	267,325,397	261,090,054
Cash at banks	1,615,302,543,048	1,793,941,886,839
<i>Including:</i>		
- <i>Cash of the Company</i>	752,713,362,316	1,413,336,145,691
- <i>Investors' deposits for securities trading (Note 17)</i>	862,589,180,732	380,605,741,148
<b>TOTAL</b>	<b><u>1,615,569,868,445</u></b>	<b><u>1,794,202,976,893</u></b>

## 5. VALUE AND VOLUME OF TRADING RESULTS IN THE PERIOD

	<i>Trading volume in the period (unit)</i>	<i>Trading value in the period (VND)</i>
<b>1. Trading results of the Company</b>		
- Shares	102,912,437	1,189,696,474,496
- Bonds	55,830,001	5,501,460,022,007
<b>2. Trading results of the investors</b>		
- Shares	2,883,825,773	42,925,193,572,994
- Bonds	113,986,167	11,764,787,478,993
<b>TOTAL</b>	<b><u>3,156,554,378</u></b>	<b><u>61,381,137,548,490</u></b>



# Ho Chi Minh City Securities Corporation

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

## 6. FINANCIAL INVESTMENTS

	Quantity (Unit)	Cost	Compared to the market value		Total market value
			Increase	Decrease	
<i>VND</i>					
<b>Short-term investments</b>					
- Listed shares	26,958,412	286,377,443,260	35,228,362,572	(4,548,898,932)	317,056,906,900
- Unlisted shares	9,665,595	181,740,580,406	-	(41,560,551,200)	140,180,029,206
<b>TOTAL</b>		<b>468,118,023,666</b>	<b>35,228,362,572</b>	<b>(46,109,450,132)</b>	<b>457,236,936,106</b>
<b>Long-term investments</b>					
<i>Available-for-sale securities</i>					
- Fund certificates	10,084,740	103,068,131,371	-	-	103,068,131,371
- Government bonds	5,950,001	616,566,604,860	-	-	616,566,604,860
<b>TOTAL</b>		<b>719,634,736,231</b>	<b>-</b>	<b>-</b>	<b>719,634,736,231</b>

# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

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## 6. FINANCIAL INVESTMENTS (continued)

### 6.1 Short-term investments

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

	VND	
	30 June 2013	31 December 2012
Short-term investments in securities	468,118,023,666	203,325,585,176
Provision for impairment of investments	<u>(46,109,450,132)</u>	<u>(51,002,564,282)</u>
<b>Net value of short-term investments</b>	<b><u>422,008,573,534</u></b>	<b><u>152,323,020,894</u></b>

Movement of provision for impairment of short-term investments during the period is as follows:

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
Beginning balance	51,002,564,282	52,660,970,321
Add: Provision for impairment of investments	3,579,310,281	2,715,789,515
Less: Reversal of provision for impairment of investments	<u>(8,472,424,431)</u>	<u>(4,226,514,450)</u>
<b>Ending balance</b>	<b><u>46,109,450,132</u></b>	<b><u>51,150,245,386</u></b>

### 6.2 Available-for-sale securities

	VND	
	30 June 2013	31 December 2012
Government bonds	616,566,604,860	372,225,836,384
Fund certificates	<u>103,068,131,371</u>	<u>103,068,131,371</u>
<b>TOTAL</b>	<b><u>719,634,736,231</u></b>	<b><u>475,293,967,755</u></b>



**6. FINANCIAL INVESTMENTS (continued)****6.3 Details of provision for short-term investments:**

Items	Carrying value		Decrease compared with market value		Market value	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
<b>Shares</b>	<b>164,795,554,403</b>	<b>133,106,661,128</b>	<b>(46,109,450,132)</b>	<b>(46,846,930,921)</b>	<b>127,909,746,702</b>	<b>87,325,639,221</b>
Listed shares:	65,189,614,901	33,500,721,626	(4,548,898,932)	(5,286,379,721)	69,864,358,400	29,280,250,919
Hoang Anh Gia Lai Joint Stock Company (HAG)	27,430,760,933	6,017,130,817	-	(55,907,737)	36,633,328,200	5,961,297,600
VNDIRECT Securities Joint Stock Company (VND)	11,667,104,960	7,307,123,419	(24,182,760)	(33,963)	11,642,922,200	7,614,394,800
FPT Corporation (FPT)	11,563,920,339	147,574	(617,336,339)	(23,710)	10,946,584,000	492,800
Vietronics TanBinh Joint Stock Company (VTB)	8,569,010,211	8,560,710,211	(3,853,494,211)	(5,167,597,711)	4,715,516,000	3,393,112,500
Saigon Securities Incorporation (SSI)	5,821,692,791	4,068,040,515	-	(13,191)	5,840,208,000	4,399,728,600
LICOGI 16 Joint Stock Company (LCG)	13,790	2,728,861,006	(1,190)	-	12,600	3,080,478,600
Development Investment Construction J.S. Corporation (DIG)	11,452	4,440,578,651	(1,052)	-	10,400	4,504,768,000
Other stocks	137,100,425	378,129,433	(53,883,380)	(62,803,409)	85,777,000	325,978,019
<b>Unlisted shares:</b>	<b>99,605,939,502</b>	<b>99,605,939,502</b>	<b>(41,560,551,200)</b>	<b>(41,560,551,200)</b>	<b>58,045,388,302</b>	<b>58,045,388,302</b>
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	2,562,940,000	(518,530,000)	(518,530,000)	2,044,410,000	2,044,410,000
<b>Fund certificates</b>	<b>-</b>	<b>15,155,357,361</b>	<b>-</b>	<b>(4,155,633,361)</b>	<b>-</b>	<b>10,999,724,000</b>
Vietnam Active Fund (VFA)	-	15,155,357,361	-	(4,155,633,361)	-	10,999,724,000
<b>TOTAL</b>	<b>164,795,554,403</b>	<b>148,262,018,489</b>	<b>(46,109,450,132)</b>	<b>(51,002,564,282)</b>	<b>127,909,746,702</b>	<b>98,325,363,221</b>

VND

# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
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## 7. SHORT-TERM RECEIVABLES

### 7.1 Short-term receivables

Items	31 December 2012			Movement during the year			30 June 2013		
	Total	Overdue	Doubtful	Increase	Decrease	Total	Overdue	Doubtful	Provision
1. Trade receivables	1,410,917,105	-	1,275,517,100	891,370,298	(1,007,570,298)	1,294,717,105	-	1,275,517,100	1,275,517,100
- Receivables from advisory services	1,281,050,005	-	1,145,650,000	891,370,298	(1,007,570,298)	1,164,850,005	-	1,145,650,000	1,145,650,000
- Receivables from securities investments	129,867,100	-	129,867,100	-	-	129,867,100	-	129,867,100	129,867,100
2. Advances to suppliers	353,848,252	-	-	320,799,227	(490,251,252)	184,396,227	-	-	-
3. Receivables from securities trading	552,121,896,930	-	15,443,859,795	65,583,959,113,501	(64,934,892,343,495)	1,201,188,666,936	-	15,443,859,795	15,443,859,795
- Receivables from margin trading (i)	510,853,136,973	-	-	9,157,041,719,810	(8,754,904,529,218)	912,990,327,565	-	-	-
- Receivables from Vietnam Securities Depository for clearing and settlement of securities trading	-	-	-	54,967,201,019,338	(54,754,868,151,902)	212,332,867,436	-	-	-
- Deposit for purchasing securities (ii)	-	-	-	40,000,000,000	-	40,000,000,000	-	-	-
- Receivables from advances to investors (iii)	40,932,579,312	-	15,443,859,795	1,379,272,869,259	(1,395,086,961,419)	25,118,487,152	-	15,443,859,795	15,443,859,795
- Receivables from selling unlisted securities	-	-	-	10,146,237,437	-	10,146,237,437	-	-	-
- Receivables from foreign investors	336,180,645	-	-	30,297,267,657	(30,032,700,956)	600,747,346	-	-	-
4. Other receivables	104,097,165,353	6,585,371,557	-	174,843,246,991	(167,474,465,677)	111,465,946,667	6,103,060,000	-	6,103,060,000
- Receivables from reverse repurchase agreements of bonds (iv)	78,600,000,000	-	-	153,713,810,000	(154,202,560,000)	78,111,250,000	-	-	-
- Receivables from reverse repurchase agreements of shares	14,714,617,051	6,585,371,557	-	-	(1,903,267)	14,712,713,784	6,103,060,000	-	6,103,060,000
- Bond interest	3,253,424,658	-	-	15,350,364,537	(7,541,152,844)	11,062,636,351	-	-	-
- Interest of bank deposit	6,894,021,269	-	-	3,356,385,788	(4,964,145,944)	5,286,261,113	-	-	-
- Interest receivables from deposit contract to buying share (ii)	-	-	-	2,020,000,000	-	2,020,000,000	-	-	-
- Other short-term receivables	635,102,375	-	-	402,686,666	(764,703,622)	273,085,419	-	-	-
<b>TOTAL</b>	<b>657,983,827,640</b>	<b>6,585,371,557</b>	<b>16,719,376,895</b>	<b>65,760,014,530,017</b>	<b>(65,103,864,630,722)</b>	<b>1,314,133,726,935</b>	<b>6,103,060,000</b>	<b>16,719,376,895</b>	<b>22,822,436,895</b>



# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM 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 from 90 to 180 days and interest rate ranges from 1.35% to 1.50% per month during the period.
- (ii) This is 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. At the interim balance sheet date, the purchase of shares is still pending.
- (iii) This account includes doubtful debts of VND 15,443,859,795 relating to the purchase of shares of a company. These transactions occurred in previous years and provision for doubtful debts was fully provided.
- (iv) This receivable pertains to the purchases of corporate bonds from client under the reverse repurchase agreement. The bonds will be re-sold on 20 August 2013 at the price of VND 79,322,500,000.

### 7.2 Provision for doubtful receivables

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
Beginning balance	23,304,748,452	18,479,834,895
Reversal of provision during the period	<u>(482,311,557)</u>	<u>-</u>
<b>Ending Balance</b>	<b><u>22,822,436,895</u></b>	<b><u>18,479,834,895</u></b>

## 8. SHORT-TERM PREPAID EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
Beginning balance	3,659,266,484	4,519,574,259
Increase during the period	<u>14,417,909,581</u>	<u>11,755,291,207</u>
	18,077,176,065	16,274,865,466
Amortisation during the period	<u>(13,619,809,253)</u>	<u>(12,709,568,139)</u>
<b>Ending balance</b>	<b><u>4,457,366,812</u></b>	<b><u>3,565,297,327</u></b>

# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

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## 9. TANGIBLE FIXED ASSETS

			VND
	<i>Transportation vehicles</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost:</b>			
As at 1 January 2013	3,219,787,884	38,518,252,205	41,738,040,089
Newly purchased	-	575,725,835	575,725,835
Disposed	-	(828,415,501)	(828,415,501)
As at 30 June 2013	<u>3,219,787,884</u>	<u>38,265,562,539</u>	<u>41,485,350,423</u>
<i>In which:</i>			
Fully depreciated	2,713,699,884	23,447,695,263	26,161,395,147
<b>Accumulated depreciation:</b>			
As at 1 January 2013	3,028,173,992	28,850,968,632	31,879,142,624
Depreciation for the period	156,468,892	4,080,144,605	4,236,613,497
Disposed	-	(781,659,834)	(781,659,834)
As at 30 June 2013	<u>3,184,642,884</u>	<u>32,149,453,403</u>	<u>35,334,096,287</u>
<b>Net carrying amount:</b>			
As at 1 January 2013	<u>191,613,892</u>	<u>9,667,283,573</u>	<u>9,858,897,465</u>
As at 30 June 2013	<u>35,145,000</u>	<u>6,116,109,136</u>	<u>6,151,254,136</u>

## 10. INTANGIBLE FIXED ASSETS

	VND
	<i>Computer software</i>
<b>Cost:</b>	
As at 1 January 2013	21,084,673,883
Newly purchased	184,216,141
As at 30 June 2013	<u>21,268,890,024</u>
<i>In which:</i>	
Fully amortised	18,160,696,168
<b>Accumulated amortisation:</b>	
As at 1 January 2013	19,032,176,882
Amortisation for the period	754,223,306
As at 30 June 2013	<u>19,786,400,188</u>
<b>Net carrying amount:</b>	
As at 1 January 2013	<u>2,052,497,001</u>
As at 30 June 2013	<u>1,482,489,836</u>



# Ho Chi Minh City Securities Corporation

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

	VND	
	30 June 2013	31 December 2012
Office rentals (*)	109,722,643,608	112,248,783,822
Office renovation costs	<u>712,657,673</u>	<u>1,263,033,726</u>
<b>TOTAL</b>	<b><u>110,435,301,281</u></b>	<b><u>113,511,817,548</u></b>

(\*) This mainly includes the unamortised portion of the full prepayment for lease of 1,802 square meters amounting to VND 105,283,542,809 in AB Tower for the remaining period of 37 years.

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

	VND	
	For the six-month period ended 30 June 2013	For the six-month period ended 30 June 2012
Beginning balance	113,511,817,548	122,701,592,237
Increase during the period	<u>-</u>	<u>-</u>
	113,511,817,548	122,701,592,237
Amortisation during the period	<u>(3,076,516,267)</u>	<u>(6,481,264,392)</u>
<b>30 June 2013</b>	<b><u>110,435,301,281</u></b>	<b><u>116,220,327,845</u></b>

## 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 Custody Centre of State Securities Commission, the Company is required to deposit an initial amount of VND 120 million at each stock exchange and make an annual additional contribution of 0.01% of total value trading of dealing and brokered securities in prior period.

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

	VND
Initial contribution	120,000,000
Total additional contribution up to 2012	8,025,823,690
Total interest received up to 2012	<u>1,186,759,620</u>
<b>Balance as at 31 December 2012</b>	<b>9,332,583,310</b>
Additional contribution in the period	1,512,786,501
Interest received in the period	<u>987,213,499</u>
<b>Ending balance as at 30 June 2013</b>	<b><u>11,832,583,310</u></b>

**13. OTHER LONG-TERM ASSETS**

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

**14. STATUTORY OBLIGATIONS**

No.	Items	31 December 2012	Payable during the period	Paid during the period	30 June 2013
1	Corporate income tax (Note 24.1)	9,445,541,826	40,761,461,712	(30,183,476,956)	20,023,526,582
2	Personal income tax of investors	584,867,256	15,211,763,400	(13,281,797,606)	2,514,833,050
3	Corporate income tax of foreign investors	703,735,417	5,732,867,849	(5,005,905,039)	1,430,698,227
4	Personal income tax of the employees	638,412,430	9,520,398,040	(9,335,132,108)	823,678,362
5	Foreign contractor withholding tax	1,017,392,335	798,350,679	(1,805,312,524)	10,430,490
6	Value added tax	44,443,254	75,057,910	(118,439,035)	1,062,129
7	Business registered tax	-	10,000,000	(10,000,000)	-
		<b>12,434,392,518</b>	<b>72,109,899,590</b>	<b>(59,740,063,268)</b>	<b>24,804,228,840</b>



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## 15. ACCRUED EXPENSES

	VND	
	30 June 2013	31 December 2012
Accrued interest for issued bonds (Note 19 and Note 25)	22,502,921,621	18,249,143,388
Allowance for working performance payable to employees	6,000,000,000	12,000,000,000
Advisory fee payables (Note 25)	6,000,000,000	-
Brokerage fee payables to Stock Exchange	2,601,285,646	1,660,132,846
Other accrued expenses	573,357,280	2,082,902,163
<b>TOTAL</b>	<b><u>37,677,564,547</u></b>	<b><u>33,992,178,397</u></b>

## 16. OTHER PAYABLES

	VND	
	30 June 2013	31 December 2012
Dividend payables to shareholders	4,100,822,829	3,820,481,079
Trade union fee	2,225,323,554	1,969,924,479
Social insurance and health insurance	172,430,550	19,286,471
Unemployment insurance	57,164,736	57,753,919
Other payables	2,343,760,636	192,925,262
<b>TOTAL</b>	<b><u>8,899,502,305</u></b>	<b><u>6,060,371,210</u></b>

## 17. PAYABLES FOR SECURITIES TRADING

	VND	
	30 June 2013	31 December 2012
Investors' deposits for securities trading	862,589,180,732	380,605,741,148
Payable to investor for transaction of bonds (i)	352,879,000,000	-
Payable for repurchase agreement of bonds (ii)	90,753,923,076	65,618,942,296
Payables from deposit for share auction	10,000,000	-
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
<b>TOTAL</b>	<b><u>1,306,232,103,808</u></b>	<b><u>688,781,849,995</u></b>

(i) This payable is investor's selling transaction of bonds on 28 June 2013 and was settled on 1 July 2013.

(ii) This payable pertains to the sale of corporate bonds to a bank with a repurchase commitment at the price of VND 90,927,000,000 during the term from 24 May 2013 to 15 July 2013.

# Ho Chi Minh City Securities Corporation

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## 18. REPURCHASE AGREEMENT OF GOVERNMENT BONDS

These are payables from the sales of Government bonds to banks with repurchase commitments in July of 2013.

## 19. LONG-TERM LOANS AND DEBTS

On 24 August 2011, the Company successfully issued VND 600,000,000,000 private placement bonds according to Resolution No. 09/2011/NQ-HDQT of the Board of Directors with the following information:

<i>Item</i>	<i>Volume (unit)</i>	<i>Face value (VND)</i>	<i>Total value (VND)</i>	<i>Interest rate</i>	<i>Term</i>
Straight bonds	600	1,000,000,000	600,000,000,000	14% p.a.	5 years

Interest of bonds is paid annually. From the second month onwards, the bonds can be repurchased by the Company at any time until the maturity date. During the year 2011 and 2012, the Company bought back a total of VND 490,000,000,000 of these bonds.

As at 30 June 2013, the outstanding balance of the above issued bonds amounted to VND 110,000,000,000 and the accrued interest payable amounted to VND 22,502,921,621.

## 20. OWNERS' EQUITY

### 20.1 Details of the share capital

	VND	
	30 June 2013	31 December 2012
Contributed by shareholders	1,008,486,370,000	1,008,486,370,000
Share premium	560,834,915,000	560,834,915,000
Treasury shares	(5,704,507,724)	(5,165,052,464)
<b>TOTAL</b>	<b><u>1,563,616,777,276</u></b>	<b><u>1,564,156,232,536</u></b>

### 20.2 Capital transactions

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
<b>Share capital</b>		
Beginning balance	1,008,486,370,000	998,486,370,000
Increase	-	10,000,000,000
<b>Ending balance</b>	<b><u>1,008,486,370,000</u></b>	<b><u>1,008,486,370,000</u></b>



# Ho Chi Minh City Securities Corporation

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## 20. OWNERS' EQUITY (continued)

### 20.3 Dividends

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
<b>Dividends declared and paid during the financial reporting period</b>		
<i>Dividends on ordinary shares</i>		
Dividends for 2008: VND 1,000 per share	-	6,570,300
Dividends for 2011: VND 1,600 per share	-	159,646,047,945
Final dividends for 2012: VND 1,500 per share	150,487,757,250	-
<b>TOTAL</b>	<b><u>150,487,757,250</u></b>	<b><u>159,652,618,245</u></b>

### 20.4 Shares

	<i>30 June 2013 Share</i>	<i>31 December 2012 Share</i>
<b>Authorised shares</b>	100,848,637	100,848,637
<b>Issued shares</b>		
<i>Issued and paid-up shares</i>		
Ordinary shares	100,848,637	100,848,637
<b>Treasury shares</b>		
<i>Held by the Company</i>		
Ordinary shares	336,580	282,680
<b>Outstanding shares</b>		
Ordinary shares	100,512,057	100,565,957

## 21. OTHER REVENUE

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
Revenue from margin trading	75,018,903,179	114,314,837,538
Interest income from bank deposits	56,471,231,053	63,639,637,717
Revenue from reverse repurchase agreements	5,023,244,267	29,266,688,517
Accrued interest from deposit contract for purchasing shares	2,020,000,000	-
Revenue from advances to investors	1,882,848,811	1,829,998,092
Other revenue	518,561,036	559,179,385
<b>TOTAL</b>	<b><u>140,934,788,346</u></b>	<b><u>209,610,341,249</u></b>

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## 22. OPERATING EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
Staff cost	29,618,885,653	31,186,022,257
Brokerage expenses	17,079,529,637	14,912,147,136
External services	12,550,447,079	9,400,292,349
Cost of repurchase agreements of bonds	11,291,450,293	-
Advisory services	6,102,300,000	6,654,225,217
Interest of issued bonds	4,253,778,233	12,429,187,757
Cost of securities trading (*)	5,313,406,369	6,019,229,113
Security custodian expenses	2,004,766,568	2,403,499,606
Depreciation and amortisation	1,682,521,109	3,588,477,737
Material and tool expenses	70,813,319	99,798,500
Other expenses	723,275,430	761,257,738
Provision for impairment of investments	3,579,310,281	2,715,789,515
Reversal of provision for impairment of investments	(8,472,424,431)	(4,226,514,450)
<b>TOTAL</b>	<b><u>85,798,059,540</u></b>	<b><u>85,943,412,475</u></b>

(\*) 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 less than purchased cost) are recognised in securities investment expenses.

## 23. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
Staff cost	22,587,945,039	19,040,292,350
Office rental	8,503,268,361	11,712,322,707
External services	8,263,798,700	6,308,862,242
Depreciation and amortisation	3,308,315,694	3,207,391,735
Office renovation expenses	329,218,092	1,168,909,034
Taxes and other fees	172,571,560	244,412,829
Material expenses	76,046,616	58,121,006
Other expenses	812,462,382	621,938,753
Reversal of provision for doubtful debts	(482,311,557)	-
<b>TOTAL</b>	<b><u>43,571,314,887</u></b>	<b><u>42,362,250,656</u></b>



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## 24. CORPORATE INCOME TAX ("CIT")

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

### 24.1 Current CIT expense

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
CIT expenses	40,761,461,712	40,103,436,332
Adjustment for under accrual of tax from prior period	-	50,253,758
<b>TOTAL</b>	<b><u>40,761,461,712</u></b>	<b><u>40,153,690,090</u></b>

The current tax payable is calculated based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit as reported in the interim income statement because it excludes income or expenses that are taxable or deductible in other periods 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 interim balance sheet date.

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 interim financial statements can be changed by the final decision of the tax authorities.

Reconciliation between the profit before tax and taxable profit is presented below:

	VND	
	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
<b>Profit before tax</b>	<b>164,562,696,417</b>	<b>204,227,441,301</b>
<b>Adjustments to decrease accounting profit</b>		
Non-taxable dividend income	1,516,849,572	3,231,349,641
Reversal of provision for impairment of unlisted securities	-	478,910,000
<b>Current taxable profit</b>	<b><u>163,045,846,845</u></b>	<b><u>200,517,181,660</u></b>
CIT expense at rate of 20%	-	40,103,436,332
CIT expense at rate of 25%	40,761,461,712	-
Under provision of tax in 2009	-	50,253,758
<b>Estimated current CIT</b>	<b><u>40,761,461,712</u></b>	<b><u>40,153,690,090</u></b>
<b>CIT payable at the beginning of the period</b>	<b><u>9,445,541,826</u></b>	<b><u>10,269,846,948</u></b>
CIT paid during the period	(30,183,476,956)	(30,315,627,106)
<b>CIT payable at the end of the period</b>	<b><u>20,023,526,582</u></b>	<b><u>20,107,909,932</u></b>

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## 24. CORPORATE INCOME TAX (CIT) (continued)

### 24.2 *Deferred corporate income tax*

There was no deferred tax recognised as at 30 June 2013 since there are no significant identified temporary differences between the carrying value and the tax base of assets and liabilities in the interim financial statements.

## 25. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the period were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>
			<i>Amounts</i>
Dragon Capital Markets Limited (DC)	Strategic shareholder	Dividend paid	47,136,600,000
		Interest expenses for issued bonds	4,253,778,233
Ho Chi Minh City Financial and Investment Company (HFIC)	Strategic shareholder	Dividend paid	45,000,000,000
		Selling securities	37,185,137,000
		Brokerage fee income	55,777,706
Private funds of Dragon Capital Markets Limited (DC)	Related party	Selling securities	814,973,417,450
		Purchasing securities	327,698,786,000
		Purchasing bonds (reverse repurchase agreement)	69,422,520,000
		Selling bonds (reverse repurchase agreement)	62,455,560,000
		Brokerage fee income	1,732,293,158

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i>
			<i>Payable</i>
Dragon Capital Markets Limited (DC)	Strategic shareholder	Bonds issued by the HSC	110,000,000,000
		Interest income from bonds issued	22,502,921,621
Ho Chi Minh City Finance and Investment Company (HFIC)	Strategic shareholder	Deposits for trading securities	21,487,550

Remuneration to members of the Board of Management and Board of Directors during the period is as follows:

	<i>VND</i>
Salaries and bonus	5,816,874,268



**26. SEGMENT INFORMATION****Business segment**

	Brokerage and customer services	Trading	Advisory	Treasury activities	Other segments	Unallocated	Total
							VND
<b>For the six-month period ended 30 June 2013</b>							
1. Revenue from operating activities	93,254,386,370	58,354,533,536	1,308,209,168	140,416,227,310	518,561,036	-	293,851,917,420
2. Direct costs	21,338,720,155	5,558,083,438	3,946,502,937	93,191,073,863	344,157,231	-	124,378,537,624
3. Depreciation and amortisation	1,941,854,257	15,344,307	28,394,151	2,994,186,475	11,057,613	-	4,990,836,803
4. Other income	-	-	-	-	80,153,424	-	80,153,424
<b>Profit before tax</b>	<b>69,973,811,958</b>	<b>52,781,105,791</b>	<b>(2,666,687,920)</b>	<b>44,230,966,972</b>	<b>243,499,616</b>	<b>-</b>	<b>164,562,696,417</b>
<b>As at 30 June 2013</b>							
1. Segment assets	1,089,767,419,865	432,154,810,971	3,247,427,418	2,510,004,794,569	665,289,185	-	4,035,839,742,008
2. Allocated assets	83,438,648,416	980,577,535	3,515,673,388	2,578,160,485	27,656,630,655	-	118,169,690,478
3. Unallocated assets	-	-	-	-	-	32,273,937,805	32,273,937,805
<b>Total assets</b>	<b>1,173,206,068,281</b>	<b>433,135,388,506</b>	<b>6,763,100,806</b>	<b>2,512,582,955,054</b>	<b>28,321,919,840</b>	<b>32,273,937,805</b>	<b>4,186,283,370,291</b>
1. Segment liabilities	1,218,139,646,973	-	-	775,349,981,871	1,579,782,559	-	1,995,069,411,403
2. Unallocated liabilities	-	-	-	-	-	70,989,084,593	70,989,084,593
<b>Total liabilities</b>	<b>1,218,139,646,973</b>	<b>-</b>	<b>-</b>	<b>775,349,981,871</b>	<b>1,579,782,559</b>	<b>70,989,084,593</b>	<b>2,066,058,495,996</b>

**Geographical segment**

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

**27. OPERATING LEASE COMMITMENTS**

The Company leases offices under operating lease agreements.

**In Ho Chi Minh City:**

- Head office at 5<sup>th</sup> and 6<sup>th</sup> Floor, AB Tower at 76 Le Lai, Ben Thanh Ward, District 1.
- Branch office at 1<sup>st</sup> 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 30 June 2013 under the operating lease agreements is as follows:

	VND	
	30 June 2013	31 December 2012
Less than 1 year	4,017,098,460	10,692,201,376
From 1 - 5 years	12,956,210,680	17,945,752,979
<b>TOTAL</b>	<b>16,973,309,140</b>	<b>28,637,954,355</b>

**28. BASIC EARNINGS PER SHARE**

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

The following information is used for basic earnings per share computing:

	<i>For the six-month period ended 30 June 2013</i>	<i>For the six-month period ended 30 June 2012</i>
Net profit after tax attributable to ordinary equity holders for basic earnings - VND	123,801,234,705	164,073,751,211
Weighted average number of ordinary shares for basic earnings per share	100,540,188	99,091,038
Basic earnings per share - VND	1,231	1,656



**29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company implements comprehensive risk management framework as follows:

***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, short-term financial investments, 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 the interim balance sheet relates to available-for-sale debt instrument; the sensitivity of the relevant interim income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 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, short-term deposits, and loans. 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 for the period ended 30 June 2013 as the Company's exposure to interest-rate risk is minimal or payables have 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).

Risk due to exchange rate's fluctuation of the Company is not significant.

***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 stock.

At the reporting date, the exposure to listed equity securities at fair value was VND 478,412,746,900. A decrease of 10% on the stock market index could have an impact of approximately VND 47,841,274,690 on the Company's profit before tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Company's profit before tax by VND 47,841,274,690.

**29. 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 receivables from margin trading transactions) 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. Credit quality of the customer is assessed based on individual credit limits are defined in accordance with this assessment.

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 at 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 bank balances at the reporting date is the carrying amount presented in Note 4. The Company evaluates the concentration of credit risk in respect to bank deposit as low.



# Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

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## 29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### *Liquidity risk*

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations 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 maintaining a sufficient level of cash and cash equivalents and bank loans 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 the contractual terms:

	VND			
	<i>On demand</i>	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>Total</i>
<b>30 June 2013</b>				
Long-term loans and borrowings	110,000,000,000	-	-	110,000,000,000
Payables to securities transactions	1,215,468,180,732	90,763,923,076	-	1,306,232,103,808
Repurchase agreement of Government bonds	-	552,093,137,174	-	552,093,137,174
Accrued expenses	22,502,921,621	9,126,792,926	-	31,629,714,547
Other short-term payables	4,094,918,670	-	-	4,094,918,670
	<u>1,352,066,021,023</u>	<u>651,983,853,176</u>	<u>-</u>	<u>2,004,049,874,199</u>
<b>31 December 2012</b>				
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 at 30 June 2013, the Company has pledged its bonds to guarantee for contractual obligations for the repurchase agreements.

The Company has held customers' securities as collaterals for the trade receivables from customers as at 30 June 2013.

**30. 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 and receivables.

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

- *Financial asset recognised at fair value through interim income statement:*  
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 categorises 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 categorised as such recognised at fair value through profit and loss;
  - b) Financial assets already categorised as available for sale;
  - 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 categorised 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;
  - c) Financial assets recognised at fair value through profit and loss.



**30. 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 and payables.

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

- *Financial liabilities recognised at fair value through interim 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 an profit and loss.
- *Financial liabilities determined at the fair amortised cost:*  
Financial liabilities not categorised as such recorded at fair value through interim profit and loss will be classified as such determined at the fair amortised cost.

## Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

**30. 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 interim financial statements.

	Carrying amount		Fair value	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
<b>Financial assets</b>				
Financial assets at fair value through profit and loss				
- Held for trading investments				
Listed shares	286,377,443,260	81,394,005,674	317,056,906,900	75,017,062,848
Unlisted shares	181,740,580,406	121,931,579,502	140,180,029,206	80,371,028,302
- Held to maturity investment				
Short-term deposits	1,588,500,000,000	1,751,700,000,000	1,588,500,000,000	1,751,700,000,000
Trade receivables and other receivables	1,317,337,136,916	661,651,188,264	(*)	(*)
Available for sales financial assets				
- Available for sales securities				
Fund certificates	103,068,131,371	103,068,131,371	(*)	(*)
Bonds	616,566,604,860	372,225,836,384	(*)	(*)
Cash and cash equivalents	27,069,868,445	42,502,976,893	27,069,868,445	42,502,976,893
<b>Total</b>	<b>4,120,659,765,258</b>	<b>3,134,473,718,088</b>	<b>2,072,806,804,551</b>	<b>1,949,591,068,043</b>
<b>Financial liabilities</b>				
Loans and borrowings	110,000,000,000	110,000,000,000	(*)	(*)
Payables to securities transactions	1,306,232,103,808	688,781,849,995	(*)	(*)
Repurchase agreement of Government bonds	552,093,137,174	163,195,578,241	(*)	(*)
Accrued liabilities	31,629,714,547	21,299,762,275	31,629,714,547	21,299,762,275
Other short-term payables	4,094,918,670	12,142,372,098	(*)	(*)
<b>Total</b>	<b>2,004,049,874,199</b>	<b>995,419,562,609</b>	<b>31,629,714,547</b>	<b>21,299,762,275</b>

(\*) 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 INTERIM FINANCIAL STATEMENTS (continued)  
as at 30 June 2013 and for the six-month period then ended

**30. 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 represent the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

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

**31. EVENTS AFTER THE INTERIM BALANCE SHEET DATE**

There have been no significant events occurring after the interim balance sheet date which would require adjustments or disclosures to be made in the interim financial statements.

  
\_\_\_\_\_  
Ms. Ho Thi Thu Thao  
Preparer

  
\_\_\_\_\_  
Mr. Lam Huu Ho  
Chief Financial Officer

  
\_\_\_\_\_  
Mr. Johan Nyvene  
Chief Executive Officer

Ho Chi Minh City, Vietnam

12 August 2013