

Viet Dragon Securities Corporation

Report of the Board of Management and
Audited financial statements

As at and for the year ended 31 December 2013

Viet Dragon Securities Corporation

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Viet Dragon Securities Corporation

GENERAL INFORMATION

THE COMPANY

Viet Dragon Securities Corporation (the Company) is a joint stock company established in Vietnam in accordance with Business Registration Certificate No. 4103005723 issued by the Department of Planning and Investment of Ho Chi Minh City on 15 December 2006 and Business License No. 32/UBCK-GPHDKD issued by the State Securities Commission (the SSC) on 21 December 2006 and other Amended Licenses issued by the SSC as below:

<i>Amended License No.</i>	<i>Content</i>	<i>Date</i>
32/UBCK-GP	Increase charter capital to VND300,000,000,000	15 August 2007
147/UBCK-GP	Increase charter capital to VND330,000,000,000	8 August 2008
312/UBCK-GP	Head office relocation	11 March 2010
347/UBCK-GP	Increase charter capital to VND349,799,870,000	20 August 2010

The Company's current principal activities are to provide brokerage services, self-trading of securities, underwriting services, financial and securities investment advisory services, and securities custody services.

The Company has head office located at 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City and branches in Hanoi, Nha Trang and Can Tho cities.

BOARD OF DIRECTORS

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

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr Nguyen Mien Tuan	Chairman	Appointed on 18 September 2012
Mr Nguyen Huu Tu	Vice chairman	Appointed on 18 September 2012
Mr Nguyen Thuc Vinh	Member	Appointed on 18 April 2012
Ms Nguyen Nu Tuong Oanh	Member	Appointed on 18 April 2012
Mr Tran Tan Loc	Member	Appointed on 10 July 2013
Mr Pham Huu Phu	Member	Resigned on 9 July 2013

BOARD OF SUPERVISORS

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

<i>Name</i>	<i>Position</i>	<i>Date of appointment/reappointment</i>
Mr Nguyen Van Minh	Chief Supervisor	Appointed on 18 April 2012
Mr Ton That Dien Khoa	Member	Appointed on 18 April 2012
Mr Dao Cong Thang	Member	Reappointed on 18 April 2012

BOARD OF MANAGEMENT

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

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr Nguyen Hieu	General Director	Appointed on 18 September 2012
Mr Nguyen Minh Nhut	Deputy General Director	Appointed on 25 September 2009
Mr Nguyen Huu Tu	Deputy General Director	Appointed on 25 September 2009
Mr Nguyen Chi Trung	Deputy General Director	Appointed on 15 July 2013

Viet Dragon Securities Corporation

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Mien Tuan – Chairman.

Mr. Nguyen Hieu, the General Director is authorised by Mr. Nguyen Mien Tuan to sign off the financial statements for the year ended 31 December 2013 in accordance with Decision No. 23/2012/QĐ-HDQT dated 16 October 2012.

AUDITORS

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

Viet Dragon Securities Corporation

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Viet Dragon Securities Corporation (the Company) is pleased to present its report and the financial statements of the Company for the year ended 31 December 2013.

THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of 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, cash flows and changes in equity. In preparing those financial statements, the Board of 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.

The Board of 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.


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

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of 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 2013, and the results of its operations, its cash flows and changes in equity for the year then ended in accordance with the Vietnamese Accounting Standards and System and accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and with statutory requirements relevant to preparation and presentation of financial statements.



On behalf of the Board of Management:


Mr. Nguyen Hieu
General Director

Ho Chi Minh City, Vietnam

20 February 2014



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
ey.com

Reference: 60752721/16472473

INDEPENDENT AUDITORS' REPORT

To: The shareholders of Viet Dragon Securities Corporation

We have audited the accompanying financial statements of Viet Dragon Securities Corporation (the Company) as prepared on 20 February 2014 and set out on pages 6 to 45, which comprise the balance sheet as at 31 December 2013, and the income statement, cash flow statement and statement of changes in equity for the year then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards and System and accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by the Ministry of Finance and with the 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Ernst & Young Vietnam Limited



Nguyễn Xuân Đại
Deputy General Director
Audit Practicing Registration
Certificate No. 0452-2013-004-1



Nguyễn Quốc Tuấn
Auditor
Audit Practicing Registration
Certificate No. 1841-2013-004-1

Ho Chi Minh City, Vietnam

20 February 2014

Viet Dragon Securities Corporation

BALANCE SHEET
as at 31 December 2013

B01-CTCK

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		658,391,013,880	564,547,655,665
110	I. Cash and cash equivalents		200,168,491,183	131,517,142,289
111	1. Cash	4	209,168,491,183	111,517,142,289
112	2. Cash equivalents		-	20,000,000,000
120	II. Short-term investments		55,569,360,319	47,275,845,234
121	1. Short-term investments	6	80,582,127,076	112,264,390,116
129	2. Provision for short-term investments	7	(25,012,766,757)	(64,988,544,882)
130	III. Current accounts receivable	8	392,427,138,255	382,289,159,222
131	1. Trade receivables		38,500,000	119,344,818
132	2. Advances to suppliers		43,480,000	25,000,000
135	3. Receivables from securities trading		266,491,753,221	213,772,758,518
138	4. Other receivables		143,407,120,195	185,661,553,775
139	5. Provision for doubtful debts	9	(17,553,715,161)	(17,289,497,889)
150	IV. Other current assets		1,226,024,123	3,465,508,920
151	1. Short-term prepaid expenses		612,678,506	657,266,278
154	2. Tax and other receivables from State		2,624,212	-
158	3. Other current assets		610,721,405	2,808,242,642
200	B. NON-CURRENT ASSETS		26,811,399,072	35,829,554,997
220	I. Fixed assets		14,238,981,900	18,105,819,819
221	1. Tangible fixed assets	10	7,999,805,030	10,754,237,835
222	Cost		24,863,228,376	30,596,377,520
223	Accumulated depreciation		(16,863,423,346)	(19,842,139,685)
227	2. Intangible fixed assets	11	5,810,534,603	7,027,640,443
228	Cost		10,080,247,524	10,177,412,699
229	Accumulated amortisation		(4,269,712,921)	(3,149,772,256)
230	3. Constructions in progress	12	428,642,267	413,941,541
260	II. Other long-term assets		12,572,417,172	17,633,735,178
261	1. Long-term prepaid expenses	13	847,874,558	1,611,136,509
262	2. Deferred tax assets	25.3	-	6,384,932,543
263	3. Contributions to Settlement Support Fund	14	8,413,836,382	6,324,959,894
268	4. Other long-term assets	15	3,310,706,232	3,312,706,232
270	TOTAL ASSETS:		685,202,412,952	600,377,210,662

Viet Dragon Securities Corporation

BALANCE SHEET (continued)
as at 31 December 2013

B01-CTCK

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		447,973,245,760	364,685,140,878
310	I. Current liabilities		447,241,749,760	363,883,785,878
311	1. Short-term loans and borrowings	16	252,272,409,000	247,000,000,000
312	2. Trade payables		626,038,892	628,347,967
313	3. Advances from customers		700,500,000	794,594,818
314	4. Statutory obligations	17	577,629,310	252,776,594
315	5. Payables to employees		7,796,755	7,796,755
316	6. Accrued expenses	18	3,929,981,737	3,958,421,537
319	7. Other short-term payables	19	122,646,492,878	69,603,406,137
320	8. Payables for securities trading	20	63,574,062,482	39,221,581,584
321	9. Dividend, principal and interest payables on behalf of customers		2,906,838,706	2,416,860,486
330	II. Non-current liability		731,496,000	801,355,000
333	1. Other long-term payables		731,496,000	801,355,000
400	B. OWNERS' EQUITY		237,229,167,192	235,692,069,784
410	I. Capital		237,229,167,192	235,692,069,784
411	1. Share capital	21.1	349,799,870,000	349,799,870,000
412	2. Share premium		33,476,130,000	33,476,130,000
418	3. Financial reserve		2,157,158,275	2,157,158,275
419	4. Supplementary capital reserve		2,157,158,275	2,157,158,275
420	5. Accumulated losses		(150,361,149,358)	(151,898,246,766)
440	TOTAL RESOURCES		685,202,412,952	600,377,210,662

Viet Dragon Securities Corporation

BALANCE SHEET (continued)
as at 31 December 2013

B01-CTCK

OFF BALANCE SHEET ITEMS

VND

Code	ITEMS	Ending balance	Beginning balance
006	1. Custody securities	7,804,516,680,000	6,233,329,670,000
	<i>In which:</i>		
007	1.1. Trading securities	3,192,980,540,000	3,601,374,890,000
008	1.1.1. Trading securities of custody investors	14,729,540,000	1,350,880,000
009	1.1.2. Trading securities of domestic investors	3,149,146,940,000	3,565,970,250,000
010	1.1.3. Trading securities of foreign investors	29,104,060,000	34,053,760,000
012	1.2. Temporarily unprocessed securities	27,606,360,000	19,669,630,000
014	1.2.1. Temporarily unprocessed securities of domestic investors	27,606,360,000	19,669,680,000
017	1.3. Mortgaged securities	3,954,263,680,000	2,040,303,630,000
018	1.3.1. Mortgaged securities of custody investors	-	21,076,000,000
019	1.3.2. Mortgaged securities of domestic investors	3,954,263,680,000	2,019,227,630,000
027	1.4. Securities awaiting settlement	31,304,310,000	51,045,400,000
028	1.4.1. Securities awaiting settlement of custody investors	-	1,100,000,000
029	1.4.2. Securities awaiting settlement of domestic investors	31,204,210,000	49,944,400,000
030	1.4.3. Securities awaiting settlement of foreign investors	100,100,000	1,000,000
032	1.5. Blocked securities awaiting release	-	14,000,000,000
034	1.5.1. Blocked securities awaiting release of domestic investors	-	14,000,000,000

Viet Dragon Securities Corporation

BALANCE SHEET (continued)
as at 31 December 2013

B01-CTCK

OFF BALANCE SHEET ITEMS (continued)

VND

Code	ITEMS	Ending balance	Beginning balance
037	1.6. Securities awaiting trading	4,308,000,000	617,990,000
038	1.6.1. Securities awaiting trading of custody investors	30,000	-
039	1.6.2. Securities awaiting trading of domestic investors	4,282,100,000	617,990,000
040	1.6.3. Securities awaiting trading of foreign investors	25,870,000	-
042	1.7. Securities mortgaged for loans	594,053,790,000	506,318,080,000
044	1.7.1. Securities mortgaged for loans of domestic investors	594,053,790,000	506,318,080,000
050	2. Custody securities of unlisted public companies	284,975,670,000	123,768,080,000
	<i>In which:</i>		
051	2.1. Trading securities	282,191,270,000	121,409,320,000
052	2.1.1. Trading securities of custody investors	5,590,000	2,640,000
053	2.1.2. Trading securities of domestic investors	274,945,710,000	121,404,810,000
054	2.1.3. Trading securities of foreign investors	7,239,970,000	1,870,000
056	2.2. Temporarily unprocessed securities	2,261,400,000	2,324,720,000
058	2.2.1. Temporarily unprocessed securities of domestic investors	2,261,400,000	2,324,720,000
071	2.3. Securities awaiting settlement	523,000,000	34,040,000
073	2.3.1. Securities awaiting settlement of domestic investors	523,000,000	34,040,000
083	3. Non-custodied securities of securities companies	30,893,950,000	17,275,000,000

Prepared by:



Ms Nguyen Thi Bich Thuy
General Accountant

Reviewed by:



Mr Le Minh Hien
Chief Accountant

Approved by:



Mr Nguyen Hieu
General Director

Ho Chi Minh City, Vietnam

20 February 2014

Viet Dragon Securities Corporation

INCOME STATEMENT
for the year ended 31 December 2013

B02-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues	22	96,410,599,428	101,681,678,093
	<i>In which:</i>			
01.1	Revenue from brokerage services		26,987,764,657	29,435,780,674
01.2	Revenue from securities investments and capital contributions		28,447,517,516	12,518,491,314
01.3	Revenue from securities underwriting services		-	390,000,000
01.5	Revenue from financial and investment advisory services		10,358,495,459	22,066,088,451
01.6	Revenue from depository service		3,622,358,543	3,536,488,258
01.9	Other revenues		26,994,463,253	33,734,829,396
02	2. Deductions		-	-
10	3. Net revenues from operating activities		96,410,599,428	101,681,678,093
11	4. Operating expenses	23	(57,756,642,034)	(84,403,256,561)
20	5. Gross profit from operating activities		38,653,957,394	17,278,421,532
25	6. General and administrative expenses	24	(32,175,404,573)	(45,737,161,010)
30	7. Net gain/(loss) from operating activities		6,478,552,821	(28,458,739,478)
31	8. Other income		1,489,932,591	832,626,314
32	9. Other expenses		(46,455,461)	(11,062,559)
40	10. Other profit		1,443,477,130	821,563,755
50	11. Gain/(loss) before tax		7,922,029,951	(27,637,175,723)
51	12. Current corporate income tax	25.1	-	-
52	13. Deferred corporate income tax	25.3	(6,384,932,543)	-
60	14. Net gain/(loss) after tax		1,537,097,408	(27,637,175,723)
70	15. Gain/(loss) per share	26	44	(790)

Prepared by:



Ms Nguyen Thi Bích Thủy
General Accountant

Reviewed by:



Mr Le Minh Hien
Chief Accountant

Approved by:



Mr Nguyen Hieu
General Director

Ho Chi Minh City, Vietnam

20 February 2014

Viet Dragon Securities Corporation

CASH FLOW STATEMENT
for the year ended 31 December 2013

B03-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit/(loss) before tax		7,922,029,951	(27,637,175,723)
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10,11,13	5,049,419,962	7,044,275,974
03	Provisions for investments and doubtful debts	7,9	(39,711,560,853)	(21,581,463,649)
05	Gain from investment activities		(7,372,901,100)	(8,410,323,040)
06	Interest expense	23	28,870,662,737	52,735,443,430
08	Operating (loss)/profit before changes in working capital		(5,242,349,303)	2,150,756,992
09	Increase/(decrease) in receivables		(7,171,924,361)	176,514,566,370
10	Decrease in self-trading securities and short-term investments		31,682,263,040	94,925,323,621
11	Decrease in payables		236,009,885	4,771,442,751
12	Decrease in prepaid expenses		44,587,772	294,118,947
13	Interest paid		(28,794,998,739)	(78,143,987,751)
20	Net cash flows (used in)/from operating activities		(9,246,411,706)	200,512,220,930
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(496,542,996)	(2,153,632,018)
22	Proceeds from disposal of fixed assets and other long-term assets		410,909,092	53,636,361
27	Interest and dividends received		4,006,963,505	8,367,199,208
30	Net cash flows from investing activities		3,921,329,601	6,267,203,551

Viet Dragon Securities Corporation

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

B03-CTCK

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		341,572,629,453	2,088,273,566,216
34	Repayment of borrowings		(336,300,220,453)	(2,291,715,138,580)
40	Net cash flows from/(used in) financing activities		5,272,409,000	(203,441,572,364)
50	Net (decrease)/increase in cash and cash equivalents during the year		(52,673,105)	3,337,852,117
60	Cash and cash equivalents at beginning of year	4	27,515,953,624	24,178,101,507
61	Effect of foreign exchange difference		-	-
70	Cash and cash equivalents at end of year	4	27,463,280,519	27,515,953,624

Prepared by:



Ms Nguyen Thi Bich Thuy
General Accountant

Reviewed by:



Mr Le Minh Hien
Chief Accountant

Approved by:



Mr Nguyen Hieu
General Director

Ho Chi Minh City, Vietnam

20 February 2014

Viet Dragon Securities Corporation

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

B05-CTCK

VND

ITEMS	Notes	Opening balance		Increase/(decrease)				Closing balance	
		1 January 2012	1 January 2013	Previous year		Current year		31 December 2012	31 December 2013
				Increase	Decrease	Increase	Decrease		
A	B	1	2	3	4	5	6	7	8
1. Share capital		349,799,870,000	349,799,870,000	-	-	-	-	349,799,870,000	349,799,870,000
2. Share premium		33,476,130,000	33,476,130,000	-	-	-	-	33,476,130,000	33,476,130,000
3. Financial reserve		2,157,158,275	2,157,158,275	-	-	-	-	2,157,158,275	2,157,158,275
4. Supplementary capital reserve		2,157,158,275	2,157,158,275	-	-	-	-	2,157,158,275	2,157,158,275
5. Accumulated losses		(124,261,071,043)	(151,898,246,766)	-	(27,637,175,723)	1,537,097,408	-	(151,898,246,766)	(150,361,149,358)
TOTAL		263,329,245,507	235,692,069,784	-	(27,637,175,723)	1,537,097,408	-	235,692,069,784	237,229,167,192

Prepared by:



Ms Nguyen Thi Bich Thuy
General Accountant

Reviewed by:



Mr Le Minh Hien
Chief Accountant

Approved by:



Mr Nguyen Hieu
General Director

Ho Chi Minh City, Vietnam

20 February 2014

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

1. CORPORATE INFORMATION

Viet Dragon Securities Corporation (the Company) is a joint stock company established in Vietnam in accordance with Business Registration Certificate No. 4103005723 issued by the Department of Planning and Investment of Ho Chi Minh City on 15 December 2006 and Business License No. 32/UBCK-GPHDKD issued by the State Securities Commission (the SSC) on 21 December 2006, and other amended licenses issued by the SSC as below:

<i>Amended License No.</i>	<i>Content</i>	<i>Date</i>
32/UBCK-GP	Increase charter capital to VND300,000,000,000	15 August 2007
147/UBCK-GP	Increase charter capital to VND330,000,000,000	8 August 2008
312/UBCK-GP	Head office relocation	11 March 2010
347/UBCK-GP	Increase charter capital to VND349,799,870,000	20 August 2010

The Company's current principal activities are to provide brokerage services, self-trading of securities, underwriting services, financial and securities investment advisory services, and securities custody services.

Charter capital

As at 31 December, 2013, the charter capital of the Company was VND349,799,870,000.

Operation network

The Company's head office is located at 141 Nguyen Du Street, Ben Thanh Ward, District 1, Ho Chi Minh City. As 31 December 2013, the Company has three branches in Hanoi, Nha Trang and Can Tho cities.

Employees

The Company's number of employees as at 31 December 2013 was 161 persons (31 December 2012: 161 persons).

2. BASIS OF PREPARATION

2.1 *Accounting Standards and System*

The financial statements of the Company, expressed in Vietnam dong (VND), are prepared in accordance with the Vietnamese Accounting System, 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 on the amendment and supplement of Circular No. 95/2008/TT-BTC issued by 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 Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

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

2. BASIS OF PREPARATION (continued)

2.1 *Accounting Standards and System* (continued)

Accordingly, the accompanying balance sheet, income statement, cash flow statement, 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 financial position and results of operations, cash flows and statement of 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 registered 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.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 *Changes in accounting policies and disclosures*

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

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

- ▶ Future economic benefits will be obtained from the use of such assets;
- ▶ The useful life of asset is over 1 year; and
- ▶ The historical cost of such asset must be determined reliably, and is valued at VND30 million or more.

Accordingly, since 10 June 2013, the Company has ceased to depreciate the assets valued at less than VND30 million, and transferred these assets into tools and instruments.

3.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks, 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.

Cash and cash equivalents also include investors' deposits for securities trading.

3.3 *Receivables*

Receivables are initially recorded at cost and subsequently stated at cost.

Provision for receivables is made based on overdue status of receivables or estimated loss arising from undue debts of economic organisations which fall bankrupt or are undergoing dissolution procedures; or debtors who are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Receivables* (continued)

Increases or decreases to the provision balance are recorded as "General and administrative expenses" in the income statement. The Company has made provision for overdue 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:

<i>Overdue time</i>	<i>Provision rate</i>
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 income statement as incurred.

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

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

Trademarks are the costs spent to set up the Company's brand.

Copyrights are the cost to purchase computer softwares including office softwares and securities trading softwares.

3.6 *Depreciation and amortisation*

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

Office equipment	3 - 5 years
Transportation vehicles	6 years
Computer softwares	6 - 8 years
Trademarks	5 years
Copyrights	5 years
Other intangible assets	5 years

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Lease

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

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

3.8 Prepaid expenses

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

The following types of expenses are recorded as long-term prepaid expense and are amortised to the income statement over two (2) to five (5) years:

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

3.9 Short-term investments in securities

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

Short-term investments in securities include trading securities which 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 cost (if any) such as brokerage and transaction fee, information fee, taxes, levies and banking fees.

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

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

3.10 Provision for impairment of short-term investments in securities

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Provision for impairment of short-term investments in securities* (continued)

The market values of unlisted shares which are registered in the unlisted public companies market (UPCom) are the average prices of securities in the trading market at the balance sheet date.

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

In case the market information is not reliable and/or available, securities are carried at cost.

3.11 *Payables and accruals*

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

3.12 *Employee benefits*

3.12.1 *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 Social Insurance Agency on a monthly basis.

3.12.2 *Severance pay*

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

This accrued severance pay is used to pay severance allowance to employees upon termination of their labour contract in accordance with Article 42 of Labour Code.

3.12.3 *Unemployment benefits*

According to Circular No. 04/2009/TT-BLĐTBXH guiding Decree No. 127/2008/ND-CP on unemployment insurance, from 1 January 2009, the Company is obliged to pay unemployment insurance at 1.00% of its salary fund used for payment of unemployment insurance for insurance participants and deduct 1.00% of salary of each employee to simultaneously pay to the Unemployment Insurance Fund.

3.13 *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 Vietnamese regulatory requirements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 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:

	<u>Percentage of profit after tax</u>	<u>Maximum level</u>
Supplementary capital reserve	5%	10% of charter capital
Compulsory reserve	5%	10% of charter capital

Other reserves are created in accordance with the Resolution of the Annual General Meeting of the shareholders.

3.15 Revenue recognition

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

Revenue from brokerage 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.

Revenue from securities trading

Revenue from securities trading 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 dividend is established, except for share dividend which is monitored by the number of shares only.

3.16 Cost of securities sold

The Company applies the moving weighted average method to calculate cost of self-trading stocks sold.

3.17 Corporate income tax (CIT)

Current CIT

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 balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Corporate income tax (CIT) (continued)

Current CIT (continued)

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

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

Deferred CIT

Deferred income 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 income 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 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 balance sheet date.

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

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

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4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Cash on hand	50,247,546	85,690,875
Cash in banks	200,365,359,321	104,839,771,045
Clearing transaction accounts	8,752,884,316	6,591,680,369
Cash equivalents	-	20,000,000,000
TOTAL	<u>209,168,491,183</u>	<u>131,517,142,289</u>

For the purpose of the cash flow statement, cash and cash equivalents comprise the following items in the balance sheet:

	<i>Ending balance</i>	<i>Beginning balance</i>
		VND
Cash on hand	50,247,546	85,690,875
Cash in banks	200,365,359,321	104,839,771,045
Clearing transaction accounts	8,752,884,316	6,591,680,369
Cash equivalents	-	20,000,000,000
	<u>209,168,491,183</u>	<u>131,517,142,289</u>
<i>Less:</i>		
Clearing transaction accounts of investors (Note 20)	(63,540,524,000)	(38,884,845,600)
Deposits from investors for trading securities (Note 19)	(118,164,686,664)	(65,116,339,565)
Dividend payables to investors	-	(3,500)
	<u>(181,705,210,664)</u>	<u>(104,001,188,665)</u>
TOTAL	<u>27,463,280,519</u>	<u>27,515,953,624</u>

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5. VALUE AND VOLUME OF TRADING RESULTS IN THE YEAR

	<i>Current trading volume</i>	<i>Current trading value</i>
	<i>Share</i>	<i>VND</i>
<i>Trading results of the Company</i>	21,771,542	364,037,235,240
Shares	21,771,542	364,037,235,240
<i>Trading results of the investors</i>	1,122,440,174	17,755,567,193,200
Shares	1,113,411,474	16,781,502,893,200
Bonds	9,028,700	974,064,300,000
TOTAL	<u>1,144,211,716</u>	<u>18,119,604,428,440</u>

6. FINANCIAL INVESTMENTS

6.1 Increase/decrease in financial investments

	<i>Beginning balance</i>	<i>Increase during the year</i>	<i>Decrease during the year</i>	<i>VND Ending balance</i>
Short-term investments (Note 6.2)	<u>112,264,390,116</u>	<u>165,905,546,100</u>	<u>197,587,809,140</u>	<u>80,582,127,076</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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6. FINANCIAL INVESTMENTS (continued)

6.2 Details of short-term investments

VND

	Number of shares		Carrying value		Compared to market value				Market value (*)	
					increase		Decrease			
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Listed securities										
Saigon - Hanoi Commercial Joint Stock Bank (SHB)	500,855	30	3,605,716,499	144,922	-	32,078	(199,902,499)	-	3,405,814,000	177,000
Binh Duong Mineral and Construction JSC (KSB)	685,981	649,971	27,488,990,857	26,671,842,857	-	-	(12,877,595,557)	(14,582,382,257)	14,611,395,300	12,089,460,600
Vimeco Joint Stock Company (VMC)	-	528,000	-	29,218,593,993	-	-	-	(19,714,593,993)	-	9,504,000,000
Binh Duong Trade and Development Joint Stock Company (TDC)	150,000	-	1,605,000,000	-	-	-	(225,000,000)	-	1,380,000,000	-
The Corporation for Financing and Promoting Technology (FPT)	100,022	16	4,853,974,426	561,736	-	1,464	(142,938,226)	-	4,711,036,200	563,200
Nam Bay Bay Investment Corporation (NBB)	3	256,133	238,441	20,388,984,005	-	-	(191,041)	(13,755,139,305)	47,400	6,633,844,700
Savimex Corporation (SAV)	-	60,000	-	739,550,000	-	-	-	(319,550,000)	-	420,000,000
Vinaship Joint Stock Company (VNA)	-	743,560	-	10,681,603,006	-	-	-	(8,599,635,006)	-	2,081,968,000
Vietnam Dairy Products Joint Stock Company (VNM)	25,012	15	3,516,608,834	1,305,000	-	15,000	(139,988,834)	-	3,376,620,000	1,320,000
Others	11,686	8,513	171,096,439	137,404,597	28,123,961	4,704,724	(49,550,600)	(59,244,321)	149,669,800	82,865,000
	1,473,559	2,246,238	41,241,625,496	87,839,990,116	28,123,961	4,753,266	(13,635,166,757)	(57,030,544,882)	27,634,582,700	30,814,198,500

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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6. SECURITIES INVESTMENT PORTFOLIO (continued)

6.2 Details of short-term investments (continued)

VND

	Number of shares		Carrying Value		Compared to market value				Market value (*)	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	Increase		Decrease		31/12/2013	31/12/2012
					31/12/2013	31/12/2012	31/12/2013	31/12/2012		
Unlisted securities										
Nha Vui Construction JS Company (NHAVUI)	670,500	670,500	8,524,600,000	4,814,400,000	-	46,725,000	(1,819,600,000)	-	6,705,000,000	4,861,125,000
Vietnam Ceramic & Glass Corporation (SANHSUTTVN)	475,000	475,000	12,500,000,000	12,500,000,000	-	-	(7,275,000,000)	(6,800,000,000)	5,225,000,000	5,700,000,000
Dong Phu Technical Rubber JSC (DORUFOAM)	450,000	450,000	4,500,000,000	4,500,000,000	-	-	(1,125,000,000)	-	3,375,000,000	4,500,000,000
Can Tho Aquaproduct Import And Export JSC (CASEAMEX)	461,895	-	3,972,297,000	-	-	-	-	-	3,972,297,000	-
Central Investment & Development JS Company (CER)	132,000	132,000	2,610,000,000	2,610,000,000	-	-	(1,158,000,000)	(1,158,000,000)	1,452,000,000	1,452,000,000
Hung Vuong Assurance JSC (BHV)	900,000	-	7,233,604,580	-	-	-	-	-	7,233,604,580	-
	3,089,395	1,727,500	39,340,501,580	24,424,400,000	-	46,725,000	(11,377,600,000)	(7,958,000,000)	27,962,901,580	16,513,125,000
TOTAL	4,562,954	3,973,738	80,582,127,076	112,264,390,116	28,123,961	51,478,266	(25,012,766,757)	(64,988,544,882)	55,597,484,280	47,327,323,500

(*) The market prices of unlisted securities which are not registered for trading on the UPCOM market are determined based on the average prices of quotations obtained from at least three reputable and large securities companies in the stock market. In case the market information is not reliable and/or available, securities are carried at cost.

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7. PROVISION FOR FINANCIAL INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term investments		
<i>Listed</i>	13,635,166,757	57,030,544,882
<i>Unlisted</i>	11,377,600,000	7,958,000,000
TOTAL	<u>25,012,766,757</u>	<u>64,988,544,882</u>

Movement of provision for financial investments during the year is as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	64,988,544,882	94,108,984,658
Increase (Note 23)	12,413,810,907	19,125,897,049
Reversal (Note 23)	(52,389,589,032)	(48,246,336,825)
Ending balance	<u>25,012,766,757</u>	<u>64,988,544,882</u>

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8. CURRENT ACCOUNTS RECEIVABLE

	Beginning balance			Movement		Ending balance			VND Provision
	Total	Overdue	Doubtful	Increase	Decrease	Total	Overdue	Doubtful	
1. Trade receivables	119,344,818	-	-	246,172,107	327,016,925	38,500,000	-	-	-
2. Advances to suppliers	25,000,000	-	-	2,037,944,125	2,019,464,125	43,480,000	-	-	-
3. Receivables from securities trading	213,772,758,518	-	20,428,180,911	3,137,387,765,598	3,084,668,770,895	266,491,753,221	-	19,922,468,783	15,575,506,683
- Due from customers for securities trading	1,078,566,884	-	-	22,241,275,021	21,606,921,626	1,712,920,279	-	-	-
- Advances to customers for securities trading	-	-	-	2,366,562,131,742	2,347,842,012,494	18,720,119,248	-	-	-
- Due from margin trading and co-operation contracts	210,983,181,634	-	20,428,180,911	738,829,938,121	703,754,546,061	246,058,573,694	-	19,922,468,783	15,575,506,683
- Clearing of securities trading	1,710,870,000	-	-	9,754,420,714	11,465,290,714	-	-	-	-
- Other receivables	140,000	-	-	-	-	140,000	-	-	-
4. Other receivables	185,661,553,775	-	1,978,208,478	286,743,676,373	328,998,109,953	143,407,120,195	-	1,978,208,478	1,978,208,478
- Interest receivables from investment co-operation contracts	11,556,535,879	-	-	48,674,352,351	43,303,112,069	16,927,776,161	-	-	-
- Receivables from employees	1,978,208,478	-	1,978,208,478	-	-	1,978,208,478	-	1,978,208,478	1,978,208,478
- Entrusted investments	47,550,701,826	-	-	65,484,201	59,482,113	47,556,703,914	-	-	-
- Dividend receivables	-	-	-	5,263,737,300	2,263,737,300	3,000,000,000	-	-	-
- Other short-term receivables	124,576,107,592	-	-	232,740,102,521	283,371,778,471	73,944,431,642	-	-	-
TOTAL	399,578,657,111	-	22,406,389,389	3,426,415,558,203	3,416,013,361,898	409,980,853,416	-	21,900,677,261	17,553,715,161

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9. PROVISION FOR DOUBTFUL RECEIVABLES

	VND	
	Current year	Previous year
Beginning balance	17,289,497,889	9,750,521,762
Provision created during the year (Note 24)	264,217,272	7,538,976,127
Ending balance	17,553,715,161	17,289,497,889

10. TANGIBLE FIXED ASSETS

	VND		
	Office equipment	Transportation vehicles	Total
Cost			
As at 1 January 2013	25,998,944,420	4,597,433,100	30,596,377,520
Newly purchased	481,842,270	-	481,842,270
Disposals	(189,968,714)	(450,747,000)	(640,715,714)
Transferred to prepaid expense	(5,574,275,700)	-	(5,574,275,700)
As at 31 December 2013	20,716,542,276	4,146,686,100	24,863,228,376
<i>In which:</i>			
Fully depreciated	9,665,805,360	1,343,831,500	11,009,636,860
Accumulated depreciation			
As at 1 January 2013	16,855,316,963	2,986,822,722	19,842,139,685
Charge for the year	2,484,941,577	584,110,594	3,069,052,171
Disposals	(144,997,217)	(450,747,000)	(595,744,217)
Transferred to prepaid expense	(5,452,024,293)	-	(5,452,024,293)
As at 31 December 2013	13,743,237,030	3,120,186,316	16,863,423,346
Net carrying amount			
As at 1 January 2013	9,143,627,457	1,610,610,378	10,754,237,835
As at 31 December 2013	6,973,305,246	1,026,499,784	7,999,805,030

In the year, the net carrying value of certain fixed assets which costs are less than VND30 million was transferred to prepaid expenses in compliance with Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance regulating the management, use and depreciation of fixed assets.

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11. INTANGIBLE FIXED ASSETS

	Computer softwares	Trademarks	Copyrights	Other intangible assets	VND Total
Cost					
As at 1 January 2013	8,349,362,903	307,500,192	1,061,858,926	458,690,678	10,177,412,699
Transferred to prepaid expense	-	-	(97,165,175)	-	(97,165,175)
As at 31 December 2013	<u>8,349,362,903</u>	<u>307,500,192</u>	<u>964,693,751</u>	<u>458,690,678</u>	<u>10,080,247,524</u>
<i>In which:</i>					
Fully amortized	-	-	1,061,858,926	51,690,678	1,113,549,604
Accumulated amortization					
As at 1 January 2013	1,729,414,244	138,375,081	1,061,858,926	220,124,005	3,149,772,256
Charge for the year	1,074,205,800	61,500,038	-	81,400,002	1,217,105,840
Transferred to prepaid expense	-	-	(97,165,175)	-	(97,165,175)
As at 31 December 2013	<u>2,803,620,044</u>	<u>199,875,119</u>	<u>964,693,751</u>	<u>301,524,007</u>	<u>4,269,712,921</u>
Net carrying amount					
As at 1 January 2013	<u>6,619,948,659</u>	<u>169,125,111</u>	<u>-</u>	<u>238,566,673</u>	<u>7,027,640,443</u>
As at 31 December 2013	<u>5,545,742,859</u>	<u>107,625,073</u>	<u>-</u>	<u>157,166,671</u>	<u>5,810,534,603</u>

In the year, the net carrying amount of certain fixed assets which costs are less than VND30 million was transferred to prepaid expenses in compliance with Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance regulating the management, use and depreciation of fixed assets.

Other intangible assets represent the cost of electronic pricing board system and website to provide information to investors.

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12. CONSTRUCTION IN PROGRESS

Construction in progress represents costs for acquisition of the core securities software and other costs relating to the installation of the core software used for securities trading. Details are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	413,941,541	329,672,000
Additions	14,700,726	384,123,541
Transferred to tangible fixed assets	-	(101,467,337)
Transferred to intangible fixed assets	-	(198,386,663)
Ending balance	<u>428,642,267</u>	<u>413,941,541</u>

13. LONG-TERM PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Office decoration	556,193,236	1,070,619,867
Signboard, network cable, power system and software	291,681,322	540,516,642
Total	<u>847,874,558</u>	<u>1,611,136,509</u>

Movement of prepaid expense during the year is as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	1,611,136,509	2,652,914,653
Charge for the year	(763,261,951)	(1,041,778,144)
Ending balance	<u>847,874,558</u>	<u>1,611,136,509</u>

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14. CONTRIBUTIONS TO SETTLEMENT SUPPORT FUND

Contributions to settlement support fund represent margin deposits at the stock exchanges.

According to Decision No. 60/2004/QĐ-BTC dated 15 July 2004, Decision No. 72/2005/QĐ-BTC dated 21 October 2005 issued by the Ministry of Finance and Decision No. 17/QĐ-TTLK dated 2 April 2008 issued by the Custody Centre of State Securities Commission, the Company is required to make an initial margin deposit of VND120 million at each stock exchange and contribute 0.01% of previous year's total value of brokerage securities.

Movements of settlement support fund during the year are as follows:

	VND	
	Current year	Previous year
Beginning balance	6,324,959,894	5,464,182,780
Supplemental contribution	1,408,189,258	363,547,217
Interest received	680,687,230	497,229,897
Ending balance	8,413,836,382	6,324,959,894

15. OTHER LONG-TERM ASSETS

Other long-term assets represent deposits for the leases of the Company's head office and its branches in Ho Chi Minh City and Hanoi.

16. SHORT-TERM LOANS

Details of short-term loans as at 31 December 2013 are as follows:

	Term	Interest	Ending	Beginning	Collateral
	month	rate	balance	balance	VND
		(%/year)	VND	VND	
Loans from banks					
Vietnam Export					
Import Commercial					
JS Bank	3-6	12.00	24,000,000,000	72,000,000,000	Shares
Saigon Thuong Tin					
Commercial Joint					
Stock Bank	3	12.00	40,000,000,000	-	Shares
Funds received under cooperation contracts					
Funds from		10.00-			
individuals	1-3	10.50	63,272,409,000	-	Unsecured
Funds from entities	6	10.00	125,000,000,000	175,000,000,000	Unsecured
TOTAL			252,272,409,000	247,000,000,000	

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17. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Personal income tax	473,156,790	210,999,321
Value added tax	101,096,020	41,777,273
Withholding tax	3,376,500	-
TOTAL	<u>577,629,310</u>	<u>252,776,594</u>

18. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
13 th -month salary	1,642,831,959	1,744,133,010
Brokerage fee and custody fee	607,391,152	520,014,576
Loan interest and interest on cooperation contracts	591,719,554	516,055,556
Agent commission	-	63,233,956
Others	1,088,039,072	1,114,984,439
TOTAL	<u>3,929,981,737</u>	<u>3,958,421,537</u>

19. OTHER SHORT-TERM LIABILITIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Social insurance, health insurance, union fee	25,531,484	29,534,592
Deposits from investors for securities trading (Note 4)	118,164,686,664	65,116,339,565
Others	4,456,274,730	4,457,531,980
TOTAL	<u>122,646,492,878</u>	<u>69,603,406,137</u>

20. PAYABLES FOR SECURITIES TRADING

Payables for securities trading represent balances awaiting payment to the Custody Center and other payables related to securities trading activities.

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Clearing transaction accounts of investors (Note 4)	63,540,524,000	38,884,845,600
Other payables	33,538,482	336,735,984
TOTAL	<u>63,574,062,482</u>	<u>39,221,581,584</u>

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21. OWNERS' EQUITY

21.1 Share capital

Details of the shareholders of the Company as at 31 December 2013 are as follows:

Shareholders	Number of shares	Par value (VND)	Ownership
Vietnam Export-Import JS Bank	3,800,000	38,000,000,000	10.86%
Le Thi Ngoc Bich	2,576,595	25,765,950,000	7.37%
Saigon Asia Financial Investment JSC	2,217,900	22,179,000,000	6.34%
Saigon Trading Corporation	2,575,800	25,758,000,000	7.36%
	11,170,295	111,702,950,000	31.93%
Other shareholders	23,809,692	238,096,920,000	68.07%
TOTAL	34,979,987	349,799,870,000	100.00%

21.2 Shares

	Ending balance (shares)	Beginning balance (shares)
Number of shares authorised for issue	34,979,987	34,979,987
Number of shares issued	34,979,987	34,979,987
Number of shares issued and fully paid	34,979,987	34,979,987
Common shares	34,979,987	34,979,987
Number of outstanding shares	34,979,987	34,979,987
Common shares	34,979,987	34,979,987

22. REVENUES

	VND	
	Current year	Previous year
Revenues from securities trading activities:		
Revenue from securities investments and capital contributions	28,447,517,516	12,518,491,314
Revenue from brokerage services	26,987,764,657	29,435,780,674
Revenue from financial and investment advisory services	10,358,495,459	22,066,088,451
Revenue from depository service	3,622,358,543	3,536,488,258
Revenue from securities underwriting services	-	390,000,000
Other revenues	26,994,463,253	33,734,829,396
Deductions	-	-
Net revenues	96,410,539,428	101,681,678,093

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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23. OPERATING EXPENSES OF SECURITIES TRADING ACTIVITIES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Loss for self-trading of securities	41,497,490,544	32,104,017,309
Interest expense on loans and cooperation contracts	28,870,662,737	52,735,443,430
Labor cost	13,941,384,097	13,618,745,261
Brokerage expense	5,658,024,667	7,151,416,290
Securities custody expenses	3,807,762,743	3,725,378,453
Depreciation and amortisation	2,007,076,256	2,034,074,675
Other cash expenses	793,905,822	392,246,617
Materials and tools	54,857,582	62,325,014
Expenses for consultancy services	-	433,000,000
Expenses for securities underwriting services	-	234,000,000
Other expenses	1,101,255,711	1,033,049,288
	<u>97,732,420,159</u>	<u>113,523,696,337</u>
Provision for diminution in value of investments	12,413,810,907	19,125,897,049
Reversal of provision for diminution in value of investments	(52,389,589,032)	(48,246,336,825)
TOTAL	<u>57,756,642,034</u>	<u>84,403,256,561</u>

24. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Expenses for external services	13,759,531,033	15,240,825,301
Labor costs	12,842,787,125	14,920,686,743
Depreciation and amortisation	2,279,081,755	3,968,423,155
Tools and materials	1,003,311,237	1,068,875,591
Other cash expenses	673,864,295	830,409,294
Provision for doubtful debts	264,217,272	7,538,976,127
Other expenses	1,352,611,856	2,168,964,799
TOTAL	<u>32,175,404,573</u>	<u>45,737,161,010</u>

25. CORPORATE INCOME TAX

The Company has the obligations to pay the corporate income tax (CIT) at a rate of 25% of taxable profits.

The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

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

25.1 Current CIT

The current tax payable is based on taxable profit for the year. Taxable profit/(tax loss) differs from profit/(loss) as reported in the income statement because it excludes income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company estimated current CIT as follows:

	Current year	VND Previous year
Accounting profit/(loss) before tax	7,922,029,951	(27,637,175,723)
<i>Less:</i>		
Dividend income	(7,006,963,505)	(8,367,199,208)
<i>Add:</i>		
Other non-deductible expenses	685,802,072	8,405,581,127
Adjusted profit/(loss) before losses brought forward and tax	1,600,868,518	(27,598,793,804)
Tax losses brought forward	(1,600,868,518)	-
Estimated current taxable profit/(tax loss)	-	(27,598,793,804)
Estimated current CIT	-	-

25.2 Tax losses carried forward

According to current regulations, the Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss is incurred.

As at 31 December 2013, the Company had accumulated tax losses carried forward amounting to VND 157,055,474,672 available to offset against future taxable profits. Details are as follows:

Originating year	Can be utilised up to	Tax loss amount	Utilised up to 31 December 2013	Forfeited	VND
					Unutilised at 31 December 2013
2008	2013	94,430,567,580	(69,753,796,869)	(24,676,770,711)	-
2011	2016	129,456,680,868	-	-	129,456,680,868
2012	2017	27,598,793,804	-	-	27,598,793,804
		251,486,042,252	(69,753,796,869)	(24,676,770,711)	157,055,474,672

25. CORPORATE INCOME TAX (continued)

25.3 Deferred CIT

The followings are the deferred tax assets recognised by the Company and the movements thereon, during the current and previous year.

	VND			
	<i>Balance sheet</i>		<i>Income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Deferred income tax assets				
Tax losses available for offsetting against future taxable income	-	6,384,932,543	6,384,932,543	-
Net deferred income tax			6,384,932,543	-

At as 31 December 2013, the Company had an estimated tax loss of VND157,055,474,672 incurred in 2011 and 2012 that can be used to offset against future taxable income. However, the Company has not recognised a deferred tax asset on this tax loss due to the uncertainty of sufficient taxable income to allow the deferred income tax to be utilised.

26. BASIC EARNINGS/(LOSS) PER SHARE

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

The following reflects the gain/(loss) and share data used in the basic gain/(loss) per share computations:

	<i>Current year</i>	<i>Previous year</i>
Net gain/(loss) after tax attributable to ordinary equity holders (VND)	1,537,097,408	(27,637,175,723)
Weighted average number of ordinary shares for basic gain/(loss) per share computation (unit)	34,979,987	34,979,987
Basic gain/(loss) per share (VND)	44	(790)

27. EMPLOYEES' INCOME

	VND	
	<i>Current year</i>	<i>Previous year</i>
Total salary	26,784,171,222	28,539,432,004
Bonus	-	-
Total income	<u>26,784,171,222</u>	<u>28,539,432,004</u>
Total average number of employees (person)	157	182
Monthly average salary (month/person)	<u>14,186,531</u>	<u>13,067,505</u>
Monthly average income (month/person)	<u>14,186,531</u>	<u>13,067,505</u>

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28. OTHER INFORMATION

28.1 Transactions with related parties

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

<u>Relationship</u>	<u>Transactions</u>	<u>VND Amount</u>
Shareholders	Interest income	5,633,756,089
	Drawdown of short-term borrowings	1,533,263,349,284
	Repayment of short-term borrowings	1,541,263,349,284
	Interest expense	6,890,125,151
	Trading securities	124,462,294,150
Other related parties (*)	Interest expense	18,972,222,221

(*) *Enterprises in which a substantial interest in the voting power is owned by key management personnel of the Company.*

Receivables from and payables to related parties as at 31 December 2013 are as follows:

<u>Relationship</u>	<u>Transactions</u>	<u>VND Receivable/ (Payable)</u>
Shareholders	Short-term borrowings	(24,000,000,000)
	Deposits	27,298,015,228
	Receivable of investment co-operation	22,185,654,000
Other related parties (*)	Entrusted investments	47,556,703,914
	Funds received under co-operation contracts	(125,000,000,000)

(*) *Enterprises in which a substantial interest in the voting power is owned by key management personnel of the Company.*

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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28. OTHER INFORMATION (continued)

28.2 Geographical segment information

	VND				
	Ho Chi Minh City (*)	Ha Noi	Nha Trang	Can Tho	Total
Revenue and other income					
- Revenue from brokerage service	23,368,433,109	2,329,948,916	406,958,221	882,424,411	26,987,764,657
- Revenue from securities investments and capital contributions	28,447,517,516	-	-	-	28,447,517,516
- Revenue from securities underwriting services	-	-	-	-	-
- Revenue from finance and investment advisory services	10,083,495,459	275,000,000	-	-	10,358,495,459
- Revenue from depository service	3,621,890,740	367,531	-	100,272	3,622,358,543
- Other revenue and income	25,772,524,216	1,732,549,116	393,378,184	585,944,328	28,484,395,844
Total	91,293,861,040	4,337,865,563	800,336,405	1,468,469,011	97,900,532,019
Operating expenses	(79,203,047,495)	(7,228,608,721)	(1,362,867,514)	(2,183,978,338)	(89,978,502,068)
Total gain/(loss)	12,090,813,545	(2,890,743,158)	(562,531,109)	(715,509,327)	7,922,029,951

(*): The head office in Ho Chi Minh City has conducted some activities and incurred some expenses for the whole Company, but has not allocated these expenses to its branches.

28. OTHER INFORMATION (continued)

28.3 Operating lease commitments

The Company has operating lease commitments for its head office and branches. As at 31 December 2013, the Company had outstanding commitments under the operating lease agreements as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	7,055,890,880	8,918,058,716
From 1 to 5 years	29,822,316,480	37,698,721,680
More than 5 years	506,911,504	8,076,331,930
TOTAL	<u>37,385,118,864</u>	<u>54,693,112,326</u>

28.4 Supplemental notes on financial assets and financial liabilities according to Circular No. 210/2009/TT-BTC

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC (Circular 210) providing guidance for the adoption of the International Financial Reporting Standards on presentation and disclosures of financial instruments with effectiveness from financial years beginning on or after 1 January 2011. Circular No. 210 provides the definitions for financial instruments, including financial assets and liabilities, derivative and equity instruments as well as guidance on classification, presentation and disclosure of these financial instruments.

As the Circular 210 only provides the presentation and disclosures of financial instruments, the below definitions are applied solely for this supplemental note. Items of assets and liabilities of the Company have been recognized and accounted for in accordance with Vietnamese Accounting Standard and System, 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.

Financial assets

Financial assets of the Bank within the scope of Circular No. 210/2009/TT-BTC comprise cash, gold, precious stones, placements with other banks, trading and investment securities, receivables and other assets under derivative contracts.

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

- *Financial asset at fair value through profit or loss:*

is a financial asset that meets either of the following conditions:

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

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28. OTHER INFORMATION (continued)

28.4 *Supplemental notes on financial assets and financial liabilities according to Circular No. 210/2009/TT-BTC* (continued)

▪ *Held-to-maturity investments:*

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

- a) Those that the Company upon initial recognition designates as at fair value through profit or loss;
- b) Those that the entity designates as available for sale; and
- c) Those that meet the definitions of loans and receivables.

▪ *Loans and receivables:*

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

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

▪ *Available-for-sale assets:*

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

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets at fair value through profit or loss.

Financial liabilities

Financial liabilities of the Bank under Circular No. 210/2009/TT-BTC consist of loans, payables and other payables.

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

28. OTHER INFORMATION (continued)

28.4 **Supplemental notes on financial assets and financial liabilities according to Circular No. 210/2009/TT-BTC** (continued)

Financial liabilities at fair value through profit or loss

is a financial liability that meets either of the following conditions:

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

▪ *Financial liabilities at amortized cost*

Financial liabilities are not categorized as at fair value through profit or loss will be classified financial liabilities at amortized cost.

Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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28. OTHER INFORMATION (continued)

28.4 Supplemental notes on financial assets and financial liabilities according to Circular No. 210/2009/TT-BTC (continued)

The carrying value and fair value of the Company's financial instruments are presented as below:

	Carrying value				Fair value
	Trading securities	Loan and receivable	Other assets and liabilities at amortised cost	Total	
Financial assets					
Short-term investments	80,582,127,076	-	-	80,582,127,076	
Listed shares	41,241,625,496	-	-	41,241,625,496	27,634,582,700
Unlisted shares	39,340,501,580	-	-	39,340,501,580	(*)
Trade receivable and other receivables	-	409,937,373,416	-	409,937,373,416	(*)
Cash and cash equivalents	-	-	209,168,491,183	209,168,491,183	209,168,491,183
Total	80,582,127,076	409,937,373,416	209,168,491,183	699,687,991,675	
Financial liabilities					
Loans and borrowings	-	-	252,272,409,000	252,272,409,000	(*)
Payable to suppliers	-	-	626,038,892	626,038,892	(*)
Payables for securities trading	-	-	63,574,062,482	63,574,062,482	(*)
Accrued expenses	-	-	2,287,149,778	2,287,149,778	(*)
Other liabilities	-	-	126,228,300,100	126,228,300,100	(*)
Total	-	-	444,937,950,252	444,937,950,252	

(*) Fair value of these financial assets and liabilities cannot be determined as there is no specific guidance of the Ministry of Finance on the determination of fair value of financial instruments.

28. OTHER INFORMATION (continued)

28.5 *Financial risk management objectives and policies*

The Company is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board of Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Board of Management reviews and agrees policies for managing each of these risks which are summarised below.

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. The Company's financial instruments affected by market risk include loans and borrowings, deposits and financial investments.

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 cash, short-term deposits and borrowings. 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.

No analysis on interest sensitivity was performed for the year ended 31 December 2013 since all borrowings are fixed rate during the year.

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 equity price risk by setting limits on equity investments. The Company's Board of Directors also reviews and approves all equity investment decisions.

As at 31 December 2013, the fair value of the Company's investment in listed stocks was VND27,634,582,700 (31 December 2012: VND30,814,198,500). A decrease of 10% on the stock market index could have an impact of approximately VND2,763,458,270 (31 December 2012: VND3,081,419,850) on the Company's profit after 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 after tax by VND2,763,458,270 (31 December 2012: VND3,081,419,850).

28. OTHER INFORMATION (continued)

28.5 *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 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 minimise credit risk. The margin call is conducted on time and complies with the nature of the margin product and cooperation contracts.

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 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.

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 maintaining a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Company's operations and to mitigate the influence of fluctuations in cash flows.

Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
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28. OTHER INFORMATION (continued)

28.5 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

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

	<i>On demand</i>	<i>Up to 3 months</i>	<i>From 3 to 12 months</i>	<i>VND Total</i>
31 December 2013				
Short-term borrowing	-	127,272,409,000	125,000,000,000	252,272,409,000
Payables for securities trading	-	63,574,062,482	-	63,574,062,482
Payables to suppliers	-	-	626,038,892	626,038,892
Accrued expenses	-	591,719,554	1,695,430,224	2,287,149,778
Other payables	3,607,338,706	122,620,961,394	-	126,228,300,100
	3,607,338,706	314,059,152,430	127,321,469,116	444,987,960,252
31 December 2012				
Short-term borrowings	-	63,500,000,000	183,500,000,000	247,000,000,000
Payables for securities trading	-	39,221,581,584	-	39,221,581,584
Accrued expenses	-	516,055,556	1,698,232,971	2,214,288,527
Other payables	3,211,455,304	69,530,058,103	628,347,967	73,369,861,374
	3,211,455,304	172,767,695,243	185,826,580,938	361,805,731,485

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

Viet Dragon Securities Corporation

NOTES TO THE FINANCIAL STATEMENTS (continued)
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28. OTHER INFORMATION (continued)

28.5 *Financial risk management objectives and policies* (continued)

Collateral

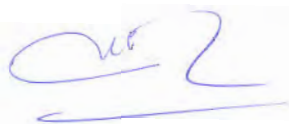
The Company pledged its self-trading securities as collateral for loans and borrowings at Vietnam Export Import Commercial Bank and Saigon Thuong Tin Commercial Joint Stock Bank.

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

29. EVENTS AFTER THE BALANCE SHEET DATE

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

Prepared by:



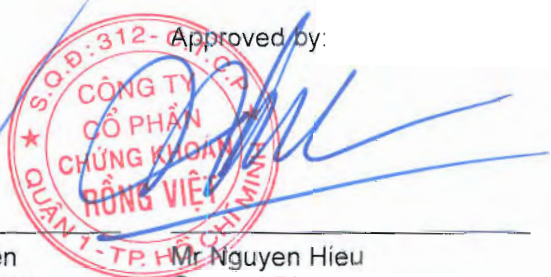
Ms Nguyen Thi Bich Thuy
General Accountant

Reviewed by:



Mr Le Minh Hien
Chief Accountant

Approved by:



Mr Nguyen Hieu
General Director

Ho Chi Minh City, Vietnam

20 February 2014