

Viet Dragon Securities Corporation

Report of the Board of Management
and interim financial statements

30 June 2014



Viet Dragon Securities Corporation

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of the Board of Management	3
Report on review of intertim financial statements	4
Interim balance sheet	5 - 8
Interim income statement	9
Interim cash flow statement	10 - 11
Interim statement of changes in equity	12
Notes to the interim financial statements	13 - 43

Viet Dragon Securities Corporation

GENERAL INFORMATION

THE COMPANY

Viet Dragon Securities Corporation ("the Company") is a joint stock company established in Vietnam under 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 ("SSC") on 21 December 2006 and other amended licenses issued by the SSC as follows:

Amended License No.	Content	Date issued
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 current principal activities of the Company are to provide brokerage services, self-trading of securities, underwriting services, financial and securities investment advisory services, and securities custody services.

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

BOARD OF DIRECTORS

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

Name	Position	Date of appointment/resignation
Mr Nguyen Mien Tuan	Chairman	Appointed on 18 September 2012
Mr Nguyen Huu Tu	Vice chairman	Resigned on 15 March 2014
Mr Nguyen Hieu	Member	Appointed on 15 March 2014
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

BOARD OF SUPERVISION

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

Name	Position	Date of appointment/reappointment
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 period and at the date of this report are:

Name	Position	Date of appointment/resignation
Mr Nguyen Hieu	General Director	Appointed on 18 September 2012
Mr Nguyen Minh Nhut	Deputy General Director	Appointed on 25 September 2009
Mr Nguyen Chi Trung	Deputy General Director	Appointed on 15 July 2013
Mr Nguyen Huu Tu	Deputy General Director	Resigned on 15 March 2014

Viet Dragon Securities Corporation

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Company during the period 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 interim financial statements for the six-month period ended 30 June 2014 in accordance with Decision No. 23/2012/QĐ-HĐQT 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 interim financial statements of the Company for the six-month period ended 30 June 2014.

THE BOARD OF MANAGEMENT'S RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The Board of Management is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position of the Company and of the Company's interim results of operations, interim cash flows and interim changes in equity. In preparing those interim 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 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.

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 accompanying interim financial statements for the six-month period ended 30 June 2014.

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 2014 and of the interim results of its operations, its interim cash flows and its interim changes in equity for the six-month period 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 statutory requirements relevant to preparation and presentation of interim financial statements.



For and on behalf of management:

Mr. Nguyen Hieu
General Director

Ho Chi Minh City, Vietnam

11 August 2014

Reference: 60752721/17058293-SX

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: The Shareholders of Viet Dragon Securities Corporation

We have reviewed the interim financial statements of Viet Dragon Securities Corporation ("the Company"), as set out on pages 5 to 43 which comprise the interim balance sheet as at 30 June 2014, 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 misstatements. 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, in all material aspects, of the interim financial position of the Company as at 30 June 2014, and of the interim results of its operations, its interim cash flows and interim changes in equity for the six-month period 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 statutory requirements relevant to preparation and presentation of interim financial statements.



Nguyễn Xuân Dai
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

11 August 2014

Viet Dragon Securities Corporation

INTERIM BALANCE SHEET
as at 30 June 2014

B01a-CTCK

VND

Code	ASSETS	Notes	30 June 2014	31 December 2013
100	A. CURRENT ASSETS		868,819,169,740	658,391,013,880
110	I. Cash and cash equivalents	4	332,046,697,929	209,168,491,183
111	1. Cash		332,046,697,929	209,168,491,183
120	II. Short-term investments		61,334,063,567	55,569,360,319
121	1. Short-term investments	6	86,955,834,494	80,582,127,076
129	2. Provision for short-term investments	7	(25,621,770,927)	(25,012,766,757)
130	III. Current accounts receivable		473,440,160,680	392,427,138,255
131	1. Trade receivables	8	137,869,634	38,500,000
132	2. Advances to suppliers	8	1,165,478,000	43,480,000
135	3. Receivables from securities trading	8	346,177,050,540	266,491,753,221
138	4. Other receivables	8	142,680,461,737	143,407,120,195
139	5. Provision for doubtful debts	9	(16,720,699,231)	(17,553,715,161)
150	IV. Other current assets		1,998,247,564	1,226,024,123
151	1. Short-term prepaid expenses		1,195,228,004	612,678,506
154	2. Tax and other receivables from the State		20,910,180	2,624,212
158	3. Other current assets		782,109,380	610,721,405
200	B. NON-CURRENT ASSETS		26,437,815,302	26,811,399,072
220	I. Fixed assets		12,489,073,445	14,238,981,900
221	1. Tangible fixed assets	10	7,212,462,111	7,999,805,030
222	Cost		25,197,769,176	24,863,228,376
223	Accumulated depreciation		(17,985,307,065)	(16,863,423,346)
227	2. Intangible fixed assets	11	5,221,454,171	5,810,534,603
228	Cost		10,124,060,628	10,080,247,524
229	Accumulated amortisation		(4,902,606,457)	(4,269,712,921)
230	3. Constructions in progress	12	55,157,163	428,642,267
260	II. Other long-term assets		13,948,741,857	12,572,417,172
261	1. Long-term prepaid expenses	13	483,700,412	847,874,558
263	2. Contributions to Settlement Support Fund	14	10,154,335,213	8,413,836,382
268	3. Other long-term assets	15	3,310,706,232	3,310,706,232
270	TOTAL ASSETS		895,256,985,042	685,202,412,952

2/6

Viet Dragon Securities Corporation

INTERIM BALANCE SHEET (continued)
as at 30 June 2014

B01a-CTCK

VND

Code	RESOURCES	Notes	30 June 2014	31 December 2013
300	A. LIABILITIES		649,414,439,009	447,973,245,760
310	I. Current liabilities		648,757,498,009	447,241,749,760
311	1. Short-term loans and borrowings	16	311,843,041,953	252,272,409,000
312	2. Trade payables		459,932,957	626,038,892
313	3. Advances from customers		801,000,000	700,500,000
314	4. Statutory obligations	17	988,155,026	577,629,310
315	5. Payables to employees		7,796,675	7,796,755
316	6. Accrued expenses	18	4,057,062,580	3,929,981,737
319	7. Other short-term payables	19	258,466,275,050	122,646,492,878
320	8. Payables for securities trading	20	69,295,599,502	63,574,062,482
321	9. Dividend, principal and interest payables on behalf of customers		2,838,634,266	2,906,838,706
330	II. Non-current liability		656,941,000	731,496,000
333	1. Other long-term payables		656,941,000	731,496,000
400	B. OWNERS' EQUITY		245,842,546,033	237,229,167,192
410	I. Capital		245,842,546,033	237,229,167,192
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		(141,747,770,517)	(150,361,149,358)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		895,256,985,042	685,202,412,952

Viet Dragon Securities Corporation

INTERIM BALANCE SHEET (continued)
as at 30 June 2014

B01a-CTCK

OFF BALANCE SHEET ITEMS

VND

Code	ITEMS	30 June 2014	31 December 2013
006	1. Custody securities	7,841,692,550,000	7,804,516,680,000
	<i>In which:</i>		
007	1.1. Trading securities	3,334,471,660,000	3,192,980,540,000
008	1.1.1. Trading securities of custody investors	6,939,660,000	14,729,540,000
009	1.1.2. Trading securities of domestic investors	3,303,472,540,000	3,149,146,940,000
010	1.1.3. Trading securities of foreign investors	24,059,460,000	29,104,060,000
012	1.2. Temporary unprocessed securities	27,753,810,000	27,606,360,000
014	1.2.1. Temporarily unprocessed securities of domestic investors	27,753,810,000	27,606,360,000
017	1.3. Mortgaged securities	3,838,356,670,000	3,954,263,680,000
018	1.3.1. Mortgaged securities of custody investors	6,800,000,000	-
019	1.3.2. Mortgaged securities of domestic investors	3,831,556,670,000	3,954,263,680,000
027	1.4. Securities awaiting settlement	64,840,420,000	31,304,310,000
029	1.4.1. Securities awaiting settlement of domestic investors	64,381,620,000	31,204,210,000
030	1.4.2. Securities awaiting settlement of foreign investors	458,800,000	100,100,000

2/10

Viet Dragon Securities Corporation

INTERIM BALANCE SHEET (continued)
as at 30 June 2014

B01a-CTCK

OFF BALANCE SHEET ITEMS (continued)

VND

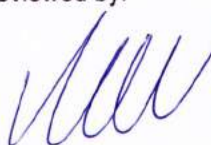
Code	ITEMS	30 June 2014	31 December 2013
037	1.5. Securities awaiting trading	958,140,000	4,308,000,000
038	1.5.1. Securities awaiting trading of custody investors	-	30,000
039	1.5.2. Securities awaiting trading of domestic investors	958,140,000	4,282,100,000
040	1.5.3. Securities awaiting trading of foreign investors	-	25,870,000
042	1.6. Securities mortgaged for loans	575,311,850,000	594,053,790,000
044	1.6.1. Securities mortgaged for loans of domestic investors	575,311,850,000	594,053,790,000
050	2. Custody securities of unlisted public companies	188,332,230,000	284,975,670,000
	<i>In which:</i>		
051	2.1. Trading securities	185,710,600,000	282,191,270,000
052	2.1.1. Trading securities of custody investors	7,570,000	5,590,000
053	2.1.2. Trading securities of domestic investors	177,463,060,000	274,945,710,000
054	2.1.3. Trading securities of foreign investors	8,239,970,000	7,239,970,000
056	2.2. Temporarily unprocessed securities	2,261,400,000	2,261,400,000
058	2.2.1. Temporarily unprocessed securities of domestic investors	2,261,400,000	2,261,400,000
071	2.3. Securities awaiting settlement	360,230,000	523,000,000
073	2.3.1. Securities awaiting settlement of domestic investors	360,230,000	523,000,000
083	3. Non-custodied securities of securities companies	31,393,950,000	30,893,950,000

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

11 August 2014

Viet Dragon Securities Corporation

INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2014

B02a-CTCK

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
01	1. Revenues		57,020,516,340	58,470,837,149
	<i>In which:</i>			
01.1	Revenue from brokerage services		17,829,439,608	17,764,608,649
01.2	Revenue from securities investments and capital contributions		11,261,437,263	21,079,505,920
01.5	Revenue from financial and investment advisory services		5,221,302,999	5,563,931,546
01.6	Revenue from depository service		1,929,073,399	1,620,952,779
01.9	Other revenues	22	20,779,263,071	12,441,838,255
02	2. Deductions		-	-
10	3. Net revenues from operating activities		57,020,516,340	58,470,837,149
11	4. Operating expenses	23	(32,700,286,699)	(35,955,590,016)
20	5. Gross profit from operating activities		24,320,229,641	22,515,247,133
25	6. General and administrative expenses	24	(16,076,835,597)	(16,757,159,060)
30	7. Net gain from operating activities		8,243,394,044	5,758,088,073
31	8. Other income		369,984,797	429,477,353
32	9. Other expenses		-	(12,698,734)
40	10. Other profit		369,984,797	416,778,619
50	11. Profit before tax		8,613,378,841	6,174,866,692
51	12. Current corporate income tax	25.1	-	-
52	13. Deferred corporate income tax	25.3	-	(1,032,675,802)
60	14. Net profit after tax		8,613,378,841	5,142,190,890
70	15. Basic earnings per share	26	246	147

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

11 August 2014

Viet Dragon Securities Corporation

INTERIM CASH FLOW STATEMENT
for the six-month period ended 30 June 2014

B03a-CTCK

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		8,613,378,841	6,174,866,692
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10,11,12,13	2,448,623,401	2,845,438,753
03	Provisions for investments and doubtful debts	7,9	(224,011,760)	(17,970,703,657)
05	Gain from investment activities		(1,475,320,822)	(2,434,685,915)
06	Interest expense	23	16,199,858,320	16,295,790,339
08	Operating profit before changes in working capital		25,562,527,980	4,910,706,212
09	Increase in receivables		(83,369,680,438)	(9,698,667,298)
10	Increase in self-trading securities and short-term investments		(6,373,707,418)	(835,084,922)
11	Increase/(decrease) in payables		330,944,166	(675,854,248)
12	Increase in prepaid expenses		(582,549,498)	(189,012,026)
13	Interest paid		(15,648,669,251)	(15,982,193,414)
16	Other cash outflows from operating activities		(1,740,498,831)	-
20	Net cash flows used in operating activities		(81,821,633,290)	(22,470,105,696)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	10	(334,540,800)	(458,262,996)
22	Proceeds from disposal of fixed assets and other long- term assets		-	13,636,364
27	Interest and dividends received		4,475,320,822	2,433,748,285
30	Net cash flows from investing activities		4,140,780,022	1,989,121,653

2/6

Viet Dragon Securities Corporation

INTERIM CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2014

B03a-CTCK

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		1,644,017,907,010	1,354,217,270,700
34	Repayment of borrowings		(1,584,447,274,057)	(1,338,512,870,853)
40	Net cash flows from financing activities		59,570,632,953	15,704,399,847
50	Net decrease in cash and cash equivalents during the period		(18,110,220,315)	(4,776,584,196)
60	Cash and cash equivalents at the beginning of the period	4	27,463,280,519	27,515,953,624
70	Cash and cash equivalents at the end of the period	4	9,353,060,204	22,739,369,428

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

11 August 2014

Viet Dragon Securities Corporation

INTERIM STATEMENT OF CHANGES IN EQUITY
as at and for the six-month period ended 30 June 2014

B05a-CTCK

VND

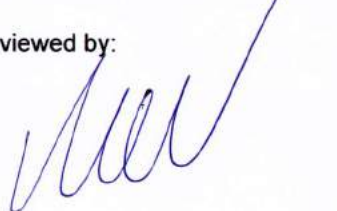
ITEMS	Notes	Opening balance		Increase/(decrease)				Closing balance	
		1 January 2013	1 January 2014	For the six-month period ended 30 June 2013		For the six-month period ended 30 June 2014		30 June 2013	30 June 2014
				Increase	Decrease	Increase	Decrease		
A	B	1	2	3	4	5	6	7	8
1. Share capital		349,799,870,000	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		(151,898,246,766)	(150,361,149,358)	5,142,190,890	-	8,613,378,841	-	(146,756,055,876)	(141,747,770,517)
TOTAL		235,692,069,784	237,229,167,192	5,142,190,890	-	8,613,378,841	-	240,834,260,674	245,842,546,033

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

11 August 2014



Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS
as at and for the six-month period ended 30 June 2014

B09a-CTCK

1. CORPORATE INFORMATION

Viet Dragon Securities Corporation ("the Company") is a joint stock company established in Vietnam under 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 ("SSC") on 21 December 2006, and other amended licenses issued by the SSC as follows:

Amended License No.	Content	Date issued
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 current principal activities of the Company 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 30 June 2014, 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 30 June 2014, the Company has three branches in Hanoi, Nha Trang and Can Tho cities.

Employees

The Company's number of employees as at 30 June 2014 was 151 persons (31 December 2013: 157 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 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 the Ministry of Finance and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese 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).

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

2. BASIS OF PREPARATION (continued)

2.1 *Accounting Standards and System* (continued)

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 and interim results of operations, interim cash flows and interim 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.

The Company also prepares its interim financial statements for the six-month period ended 30 June as required by Circular No. 52/2012TT-BTC by the Ministry of Finance dated 5 April 2012.

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 interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2013 and interim financial statements for the six-month period ended 30 June 2013.

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.

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 interim 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 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.

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 fixed 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 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 is 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 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 interim 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 interim 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 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 stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh City Stock Exchange) as at 30 June 2014.

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

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 interim 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 Labour, War Invalids and Social Affairs. The Company is required to contribute to these post employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 18% of an employee's basic salary on a monthly basis. The Company has no further obligation.

3.12.2 *Severance allowance*

The Company has the obligation, under the Vietnam Labour Code, to pay allowance arising from voluntarily resignation of employees, equal to one-half month's salary plus salary allowances (if any) for each year of employment until 31 December 2008. The average monthly salary used in this calculation will be the average monthly salary of the latest six-month period up to the resignation date.

3.12.3 *Unemployment benefits*

According to Circular No. 04/2009/TT-BLDTBXH guiding the detailed implementation of Decree No. 127/2008/ND-CP on unemployment insurance, from 1 January 2009, the Company is obliged to pay unemployment insurance at 1% of its salary fund used to pay for unemployment insurance and deduct 1% 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.

3.14 *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:

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Reserves (continued)

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 term 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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Corporate income tax (CIT) (continued)

Deferred CIT

Deferred income 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 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 interim 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.

3.18 Nil balances

Items or balances that are not shown in these interim financial statements indicate nil balances.

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2014	31 December 2013
Cash on hand	45,904,144	50,247,546
Cash in banks	292,204,620,370	200,365,359,321
Clearing transaction accounts	39,796,173,415	8,752,884,316
TOTAL	332,046,697,929	209,168,491,183

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

	VND	
	30 June 2014	31 December 2013
Cash on hand	45,904,144	50,247,546
Cash in banks	292,204,620,370	200,365,359,321
Clearing transaction accounts	39,796,173,415	8,752,884,316
	<u>332,046,697,929</u>	<u>209,168,491,183</u>
Less:		
Clearing transaction accounts of investors (Note 20)	(68,710,949,800)	(63,540,524,000)
Deposits from investors for trading securities (Note 19)	(253,982,687,925)	(118,164,686,664)
	<u>(322,693,637,725)</u>	<u>(181,705,210,664)</u>
TOTAL	9,353,060,204	27,463,280,519

5. VALUE AND VOLUME OF TRADING RESULTS IN THE PERIOD

	Current trading volume Share	Current trading value VND
Trading results of the Company	7,398,936	136,644,945,102
Shares	7,348,936	136,144,945,102
Fund certificates	50,000	500,000,000
Trading results of the investors	662,380,891	9,384,790,829,000
Shares	662,367,861	9,384,669,597,000
Fund certificates	13,030	121,232,000
TOTAL	669,779,827	9,521,435,774,102

6. SHORT-TERM INVESTMENTS

6.1 Increase/decrease in financial investments

	VND			
	31 December 2013	Increase during the period	Decrease during the period	30 June 2014
Short-term investments (Note 6.2)	80,582,127,076	71,509,326,260	(65,135,618,842)	86,955,834,494

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

6. SHORT-TERM INVESTMENTS (continued)

6.2 Details of short-term investments

VND

	Number of shares		Cost		Compared to market value				Market value (*)	
					Increase		Decrease			
	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Listed securities										
Binh Duong Mineral and Construction JSC (KSB)	695,881	685,981	27,775,100,857	27,488,990,857	-	-	(8,707,961,457)	(12,877,595,557)	19,067,139,400	14,611,395,300
Dabaco group JSC (DBC)	300,000	-	7,592,220,000	-	-	-	(1,172,220,000)	-	6,420,000,000	-
Petroleum Equipment Assembly & Metal Structure JSC (PXS)	248,410	-	4,441,973,017	-	849,159,983	-	-	-	5,291,133,000	-
Kinh Do JSC (KDC)	120,026	59	7,146,296,135	2,455,408	55,263,865	553,592	-	-	7,201,560,000	3,009,000
Saigon - Hanoi Commercial JS Bank (SHB)	39	500,855	294,649	3,605,716,499	83,651	-	-	(199,902,499)	378,300	3,405,814,000
The Corporation for Financing and Promoting Technology (FPT)	11	100,022	461,192	4,853,974,426	51,408	-	-	(142,938,226)	512,600	4,711,036,200
Vietnam Dairy Products JSC (VNM)	1	25,012	140,585	3,516,608,834	-	-	(18,585)	(139,988,834)	122,000	3,376,620,000
Binh Duong Trade and Development JSC (TDC)	-	150,000	-	1,605,000,000	-	-	-	(225,000,000)	-	1,380,000,000
Others	10,361	11,630	158,846,479	168,879,472	27,923,606	27,570,369	(43,854,385)	(49,741,641)	142,915,700	146,708,200
	1,374,729	1,473,559	47,115,332,914	41,241,625,496	932,482,513	28,123,961	(9,924,054,427)	(13,635,166,757)	38,123,761,000	27,634,582,700

(*) 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 2014.

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

6. SHORT-TERM INVESTMENTS (continued)

6.2 Details of short-term investments (continued)

		VND							
						Compared to market value			
		Number of shares		Carrying Value		Increase		Decrease	
		30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	Market value (*)	
		30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Unlisted securities									
Hung Vuong Assurance JSC (BHV)	900,000	900,000	7,233,604,580	7,233,604,580	-	-	-	7,233,604,580	7,233,604,580
Nha Vui Construction JSC (NHAVUI)	670,500	670,500	8,524,600,000	8,524,600,000	-	-	(3,160,600,000)	5,364,000,000	6,705,000,000
Vietnam Ceramic & Glass Corporation (SANHSUTTVN)	475,000	475,000	12,500,000,000	12,500,000,000	-	-	(7,750,000,000)	4,750,000,000	5,225,000,000
Can Tho Aquaproduct Import And Export JSC (CASEAMEX)	461,895	461,895	3,972,297,000	3,972,297,000	-	-	(1,247,116,500)	2,725,180,500	3,972,297,000
Dong Phu Technical Rubber JSC (DORUFOAM)	450,000	450,000	4,500,000,000	4,500,000,000	-	-	(2,250,000,000)	2,250,000,000	3,375,000,000
Central Investment & Development JSC (CER)	132,000	132,000	2,610,000,000	2,610,000,000	-	-	(1,290,000,000)	1,320,000,000	1,452,000,000
	3,089,395	3,089,395	39,340,501,580	39,340,501,580	-	-	(15,697,716,500)	23,642,785,080	27,962,901,580
Fund certificates									
Eastspring Investments Fund Management Company (ENF)	50,000	-	500,000,000	-	-	-	-	500,000,000	-
	50,000	-	500,000,000	-	-	-	-	500,000,000	-
TOTAL	4,514,124	4,562,954	86,955,834,494	80,582,127,076	932,482,513	28,123,961	(25,621,770,927)	62,266,546,080	55,597,484,280

(*) 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.

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

7. PROVISION FOR SHORT-TERM INVESTMENTS

	VND	
	30 June 2014	31 December 2013
Short-term investments		
Listed	9,924,054,427	13,635,166,757
Unlisted	15,697,716,500	11,377,600,000
TOTAL	25,621,770,927	25,012,766,757

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

	VND	
	For the six-month period ended 30 June 2014	For the year ended 31 December 2013
Beginning balance	25,012,766,757	64,988,544,882
Increased in the period (Note 23)	9,056,045,036	12,413,810,907
Reversed in the period (Note 23)	(8,447,040,866)	(52,389,589,032)
Ending balance	25,621,770,927	25,012,766,757

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

8. CURRENT ACCOUNTS RECEIVABLE

	31 December 2013			Movement		30 June 2014				VND
	Total	Overdue	Doubtful	Increase	Decrease	Total	Overdue	Doubtful	Provision	
1. Trade receivables	38,500,000	-	-	201,869,634	102,500,000	137,869,634	-	-	-	
2. Advances to suppliers	43,480,000	-	-	3,274,141,330	2,152,143,330	1,165,478,000	-	-	-	
3. Receivables from securities trading	266,491,753,221	-	-	2,068,347,446,215	1,988,662,148,896	346,177,050,540	-	-	14,742,490,753	
- Due from customers for securities trading	1,712,920,279	-	-	16,235,814,292	15,591,496,560	2,357,238,011	-	-	-	
- Advances to customers for securities trading	18,720,119,248	-	-	1,400,814,157,389	1,368,229,060,386	51,305,216,251	-	-	-	
- Margin trading and co-operation contracts (*)	246,058,573,694	-	-	651,284,298,663	604,841,591,950	292,501,280,407	-	-	14,742,490,753	
- Receivables from Stock exchange	-	-	-	13,175,871	-	13,175,871	-	-	-	
- Other receivables	140,000	-	-	-	-	140,000	-	-	-	
4. Other receivables	143,407,120,195	-	1,978,208,478	68,681,198,979	69,407,857,437	142,680,461,737	-	1,978,208,478	1,978,208,478	
- Interest receivables from investment co-operation contracts	16,927,776,161	-	-	18,328,237,782	15,576,293,349	19,679,720,594	-	-	-	
- Entrusted investments	47,556,703,914	-	-	77,939	47,556,781,853	-	-	-	-	
- Dividend receivables	3,000,000,000	-	-	-	3,000,000,000	-	-	-	-	
- Other short-term receivables	75,922,640,120	-	1,978,208,478	50,352,883,258	3,274,782,235	123,000,741,143	-	1,978,208,478	1,978,208,478	
TOTAL	409,980,853,416	-	1,978,208,478	2,140,504,656,158	2,060,324,649,663	490,160,859,911	-	1,978,208,478	16,720,699,231	

(*) The Company has made provision for some receivables from co-operation contracts based on the differences between the balances of those receivables and the value of collaterals at 30 June 2014.

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

9. PROVISION FOR DOUBTFUL DEBTS

		VND
	<i>For the six-month period ended 30 June 2014</i>	<i>For the year ended 31 December 2013</i>
Beginning balance	17,553,715,161	17,289,497,889
Provision (reversed)/charged during the period (Note 24)	(833,015,930)	264,217,272
Ending balance	16,720,699,231	17,553,715,161

10. TANGIBLE FIXED ASSETS

			VND
	<i>Office equipment</i>	<i>Transportation vehicles</i>	<i>Total</i>
Cost			
As at 1 January 2014	20,716,542,276	4,146,686,100	24,863,228,376
Newly purchased	334,540,800	-	334,540,800
As at 30 June 2014	21,051,083,076	4,146,686,100	25,197,769,176
<i>In which:</i>			
<i>Fully depreciated</i>	9,810,772,735	1,820,189,100	11,630,961,835
Accumulated depreciation			
As at 1 January 2014	13,743,237,030	3,120,186,316	16,863,423,346
Charge for the period	914,776,813	207,106,906	1,121,883,719
As at 30 June 2014	14,658,013,843	3,327,293,222	17,985,307,065
Net carrying amount			
As at 1 January 2014	6,973,305,246	1,026,499,784	7,999,805,030
As at 30 June 2014	6,393,069,233	819,392,878	7,212,462,111

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

11. INTANGIBLE FIXED ASSETS

				VND	
	<i>Computer softwares</i>	<i>Trademarks</i>	<i>Copyrights</i>	<i>Other intangible assets (*)</i>	<i>Total</i>
Cost					
As at 1 January 2014	8,349,362,903	307,500,192	964,693,751	458,690,678	10,080,247,524
Transferred from CIP	-	-	-	43,813,104	43,813,104
As at 30 June 2014	8,349,362,903	307,500,192	964,693,751	502,503,782	10,124,060,628
<i>In which:</i>					
<i>Fully amortized</i>	174,711,000	-	964,693,751	51,690,678	1,191,095,429
Accumulated amortisation					
As at 1 January 2014	2,803,620,044	199,875,119	964,693,751	301,524,007	4,269,712,921
Charge for the period	537,102,900	30,750,021	-	65,040,615	632,893,536
As at 30 June 2014	3,340,722,944	230,625,140	964,693,751	366,564,622	4,902,606,457
Net carrying amount					
As at 1 January 2014	5,545,742,859	107,625,073	-	157,166,671	5,810,534,603
As at 30 June 2014	5,008,639,959	76,875,052	-	135,939,160	5,221,454,171

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

26

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

12. CONSTRUCTIONS 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>For the six-month period ended 30 June 2014</i>	<i>For the year ended 31 December 2013</i>
Beginning balance	428,642,267	413,941,541
Additions	-	14,700,726
Transferred to expense in the period	(329,672,000)	-
Transferred to intangible fixed assets	(43,813,104)	-
Ending balance	55,157,163	428,642,267

13. LONG-TERM PREPAID EXPENSES

		VND
	<i>30 June 2014</i>	<i>31 December 2013</i>
Office designation and decoration	302,488,750	556,193,236
Signboard, network cable, power system and software	181,211,662	291,681,322
Total	483,700,412	847,874,558

Movement of prepaid expenses during the period is as follows:

		VND
	<i>For the six-month period ended 30 June 2014</i>	<i>For the year ended 31 December 2013</i>
Beginning balance	847,874,558	1,611,136,509
Charged for the period	(364,174,146)	(763,261,951)
Ending balance	483,700,412	847,874,558

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

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 period are as follows:

		VND
	<i>For the six-month period ended 30 June 2014</i>	<i>For the year ended 31 December 2013</i>
Beginning balance	8,413,836,382	6,324,959,894
Interest received	923,522,680	680,687,230
Supplemental contribution	816,976,151	1,408,189,258
Ending balance	<u>10,154,335,213</u>	<u>8,413,836,382</u>

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, Hanoi and Nha Trang.

16. SHORT-TERM LOANS AND BORROWINGS

Details of short-term loans as at 30 June 2014 are as follows:

	<i>Term</i>	<i>Interest rate (%/year)</i>	<i>Ending balance VND</i>	<i>Beginning balance VND</i>	<i>Collateral VND</i>
Loans from banks					
Vietnam Export Import Commercial JS Bank					
Bank overdraft	1-7 days	10.50	5,434,734,853	-	Unsecured
Loan for working capital	-	-	-	24,000,000,000	
Saigon Thuong Tin Commercial Joint Stock Bank	12 months	12.00	20,000,000,000	40,000,000,000	Shares
Funds received under cooperation contracts					
Funds from individuals	1-3 months	9.00- 10.00	151,408,307,100	63,272,409,000	Unsecured
Funds from entities	3-6 months	10.00	135,000,000,000	125,000,000,000	Unsecured
TOTAL			<u>311,843,041,953</u>	<u>252,272,409,000</u>	

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

17. STATUTORY OBLIGATIONS

	VND	
	30 June 2014	31 December 2013
Personal income tax	927,732,686	473,156,790
Value added tax	60,422,340	101,096,020
Withholding tax	-	3,376,500
TOTAL	988,155,026	577,629,310

18. ACCRUED EXPENSES

	VND	
	30 June 2014	31 December 2013
Interest on loans and cooperation contracts	1,142,908,623	591,719,554
13 th -month salary	900,000,000	1,642,831,959
Brokerage fee and custody fee	843,319,216	607,391,152
Office rental and electricity expenses	687,134,041	687,630,872
Audit fee	240,000,000	293,000,000
Telecommunication expense	65,748,200	68,308,200
Others	177,952,500	39,100,000
TOTAL	4,057,062,580	3,929,981,737

19. OTHER SHORT-TERM PAYABLES

	VND	
	30 June 2014	31 December 2013
Deposits from investors for securities trading (Note 4)	253,982,687,925	118,164,686,664
Social insurance, health insurance, union fee	27,202,395	25,531,484
Others	4,456,384,730	4,456,274,730
TOTAL	258,466,275,050	122,646,492,878

20. PAYABLES FOR SECURITIES TRADING

Payables for securities trading represent balances awaiting payment to the Vietnam Securities Depository ("VSD") and other payables related to securities trading activities.

	VND	
	30 June 2014	31 December 2013
Payables to VSD		
Clearing transaction accounts of investors (Note 4)	68,710,949,800	63,540,524,000
Other payables	566,532,220	15,421,000
Payables to other individuals, organisations	18,117,482	18,117,482
TOTAL	69,295,599,502	63,574,062,482

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

21. OWNERS' EQUITY

21.1 Share capital

Details of the shareholders of the Company as at 30 June 2014 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 Trading Group	2,575,800	25,758,000,000	7.36
Saigon Asia Finance and Investment JSC	2,217,900	22,179,000,000	6.34
	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

	30 June 2014 shares	31 December 2013 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. OTHER REVENUES

	VND For the six-month period ended 30 June 2014	VND For the six-month period ended 30 June 2013
Revenued from margin services	10,213,334,310	5,880,199,632
Bank interest	4,273,868,035	4,220,680,268
Revenue from interest on cash advance to investors	3,772,876,636	2,127,999,897
Commision from mortgage lending of listed securities	2,502,278,067	177,192,016
Other revenues	16,906,023	35,766,442
TOTAL	20,779,263,071	12,441,838,255

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

23. OPERATING EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Interest expense on loans and cooperation contracts	16,199,858,320	16,295,790,339
Labor cost	8,150,692,801	6,839,747,041
Brokerage expense	3,044,546,987	4,135,799,248
Securities custody expenses	2,093,836,656	1,712,279,303
Depreciation and amortisation	991,774,668	1,014,959,732
Other cash expenses	885,765,093	438,713,873
Loss on self-trading of securities	154,215,372	22,913,622,776
Materials and tools	74,065,144	30,907,781
Other expenses	496,527,488	544,473,580
	<u>32,091,282,529</u>	<u>53,926,293,673</u>
Provision for diminution in value of investments	9,056,045,036	7,934,489,944
Reversal of provision for diminution in value of investments	(8,447,040,866)	(25,905,193,601)
TOTAL	<u>32,700,286,699</u>	<u>35,955,590,016</u>

24. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Labor costs	7,326,702,053	6,745,729,071
Office lease	3,827,340,000	4,596,480,950
Other expenses for external services	1,479,141,952	1,107,710,810
Electricity and water expenses	776,546,963	782,620,083
Depreciation and amortisation	763,002,587	1,431,391,228
Post and telecommunication expenses	577,806,814	581,468,114
Tools and materials	529,366,778	471,125,550
Other cash expenses	504,966,992	471,721,441
Other expenses	1,124,977,388	568,911,813
Reversal of provision for doubtful debts	(833,015,930)	-
TOTAL	<u>16,076,835,597</u>	<u>16,757,159,060</u>

25. CORPORATE INCOME TAX

The Company has the obligations to pay the corporate income tax (CIT) at a rate of 22% of taxable profits (prior period: 25%).

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 interim financial statements could be changed at a later date upon final determination by the tax authorities.

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

25. CORPORATE INCOME TAX (continued)

25.1 Current CIT

The current tax payable is based on taxable profit for the period. Taxable profit/(loss) differs from profit/(loss) as reported in the interim 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:

	For the six-month period ended 30 June 2014	VND For the six-month period ended 30 June 2013
Accounting profit before tax	8,613,378,841	6,174,866,692
<i>Less:</i>		
Dividend income	(1,475,320,822)	(2,433,748,285)
Reversal of provision for doubtful debts	(833,015,930)	-
<i>Add:</i>		
Other non-deductible expenses	163,000,000	389,584,800
Adjusted profit before losses brought forward and tax	6,468,042,089	4,130,703,207
Tax losses brought forward	(6,468,042,089)	(4,130,703,207)
Estimated current taxable profit	-	-
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 period in which the loss is incurred.

As at 30 June 2014, the Company had accumulated tax losses carried forward amounting to VND150,587,432,583 available to offset against future taxable profits. Details are as follows:

	Can be Originating utilised year up to Tax loss amount	Utilised up to 30 June 2014	Forfeited	VND Unutilised at 30 June 2014
2011	2016 129,456,680,868	(6,468,042,089)	-	122,988,638,779
2012	2017 27,598,793,804	-	-	27,598,793,804
	157,055,474,672	(6,468,042,089)	-	150,587,432,583

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

25. CORPORATE INCOME TAX (continued)

25.3 Deferred CIT

As at 30 June 2014, the Company has estimated tax loss arising from the year 2011 and 2012 which can be carried forward to offset against future taxable profit amounting to VND150,587,432,583. 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 PER SHARE

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

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

	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Net profit after tax attributable to ordinary equity holders (VND)	8,613,378,841	5,142,190,890
Weighted average number of outstanding ordinary shares for basic earnings per share computation (unit)	34,979,987	34,979,987
Basic earnings per share (VND)	246	147

27. EMPLOYEES' INCOME

	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>	VND
Total salary	15,477,394,854	13,585,476,112	
Bonus	-	-	
Total income	<u>15,477,394,854</u>	<u>13,585,476,112</u>	
Total average number of employees (person)	145	158	
Monthly average salary per capita	<u>17,790,109</u>	<u>14,330,671</u>	
Monthly average income per capita	<u>17,790,109</u>	<u>14,330,671</u>	

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

28. OTHER INFORMATION

28.1 Transactions with related parties

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

<u>Relationship</u>	<u>Transactions</u>	VND
		<u>Amount</u>
Shareholders	Interest income	2,907,963,294
	Drawdown of short-term borrowings	548,280,088,157
	Repayment of short-term borrowings	529,714,823,010
	Interest expense	1,200,626,497
	Service charges	2,502,278,067
Other related parties (*)	Liquidation of entrusted investment contract	47,556,703,914
	Repayment in investment co-operation contract	75,000,000,000
	Repayment of short-term borrowings	5,498,611,111

(*) 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 30 June 2014 are as follows:

<u>Relationship</u>	<u>Transactions</u>	VND
		<u>Receivable/ (Payable)</u>
Shareholders	Demand deposits	8,968,923,174
	Short-term borrowings	(5,434,734,853)
	Receivables from investment cooperation	22,185,654,000
Other related parties	Payables under investment co-operation contracts	(50,000,000,000)

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

28. OTHER INFORMATION (continued)

28.2 Geographical segment information

Geographical Segment Information

	VND				
	Ho Chi Minh City (*)	Ha Noi	Nha Trang	Can Tho	Total
Revenue and other income					
- Revenue from brokerage service	14,860,272,085	1,888,133,692	452,477,509	628,556,322	17,829,439,608
- Revenue from securities investments and capital contributions	11,261,437,263	-	-	-	11,261,437,263
- Revenue from finance and investment advisory services	5,003,575,726	217,727,273	-	-	5,221,302,999
- Revenue from depository service	1,928,753,615	203,750	-	116,034	1,929,073,399
- Other revenue and income	19,432,426,873	1,104,061,159	256,761,944	355,997,892	21,149,247,868
Total	52,486,465,562	3,210,125,874	709,239,453	984,670,248	57,390,501,137
Operating expenses	(43,614,244,650)	(3,400,593,959)	(664,013,533)	(1,098,270,154)	(48,777,122,296)
Total gain/(loss)	8,872,220,912	(190,468,085)	45,225,920	(113,599,906)	8,613,378,841

(*) 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.

2/11

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

28. OTHER INFORMATION (continued)

28.3 Operating lease commitments

The Company has operating lease commitments for its head office and branches. As at 30 June 2014, the Company had outstanding commitments under the operating lease agreements as follows:

	VND	
	30 June 2014	31 December 2013
Less than 1 year	6,580,572,680	7,055,890,880
From 1 to 5 years	23,893,166,616	23,754,727,700
More than 5 years	3,468,197,040	6,393,625,744
TOTAL	33,941,936,336	37,204,244,324

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 recognised 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 Company within the scope of Circular No. 210/2009/TT-BTC comprise cash, 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 interim 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:
 - a) 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).
 - b) Upon initial recognition it is designated by the Company as at fair value through profit or loss.

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

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 Company under Circular No. 210/2009/TT-BTC consist of loans and payables.

According to Circular No. 210/2009/TT-BTC, financial liabilities are classified appropriately, for the purpose of disclosure in the interim 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 amortised cost.

Offsetting financial assets and liabilities

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

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

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 interim financial instruments are presented as below:

	Carrying value				Fair value VND
	Trading securities VND	Loan and receivable VND	Other assets and liabilities at amortised cost VND	Total VND	
Financial assets					
Cash and cash equivalents	-	-	332,046,697,929	332,046,697,929	332,046,697,929
Short-term investments	86,955,834,494	-	-	86,955,834,494	
Listed shares	47,115,332,914	-	-	47,115,332,914	38,123,761,000
Unlisted shares	39,340,501,580	-	-	39,340,501,580	(*)
Fund certificates	500,000,000	-	-	500,000,000	(*)
Trade receivable and other receivables	-	488,995,381,911	-	488,995,381,911	(*)
Total	86,955,834,494	488,995,381,911	332,046,697,929	907,997,914,334	
Financial liabilities					
Loans and borrowings	-	-	311,843,041,953	311,843,041,953	(*)
Payable to suppliers	-	-	459,932,957	459,932,957	(*)
Payables for securities trading	-	-	69,295,599,502	69,295,599,502	(*)
Accrued expenses	-	-	3,157,062,580	3,157,062,580	(*)
Other liabilities	-	-	261,277,706,921	261,277,706,921	(*)
Total	-	-	646,033,343,913	646,033,343,913	

(*) 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 six-month period ended 30 June 2014 since all borrowings are fixed interest rate during the period.

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 Investment Committee also reviews and approves all equity investment decisions.

As at 30 June 2014, the fair value of the Company's investment in listed stocks was VND38,123,761,000 (31 December 2013: VND27,634,582,700). A decrease of 10% on the stock market index could have an impact of approximately VND3,812,376,100 (31 December 2013: VND2,763,458,270) 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 VND3,812,376,100 (31 December 2013: VND2,763,458,270).

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 interim 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 INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

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:

				VND
	On demand	Up to 3 months	From 3 to 12 months	Total
30 June 2014				
Short-term borrowing	-	241,843,041,953	70,000,000,000	311,843,041,953
Payables for securities trading	-	69,295,599,502	-	69,295,599,502
Payables to suppliers	-	137,877,719	322,055,238	459,932,957
Accrued expenses	-	3,157,062,580	-	3,157,062,580
Other payables	256,821,322,191	4,456,384,730	-	261,277,706,921
	256,821,322,191	318,889,966,484	70,322,055,238	646,033,343,913
31 December 2013				
Short-term borrowings	-	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	-	2,287,149,778	-	2,287,149,778
Other payables	121,772,025,370	4,456,274,730	-	126,228,300,100
	121,772,025,370	197,589,895,990	125,626,038,892	444,987,960,252

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.

the

Viet Dragon Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014

B09a-CTCK

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 Saigon Thuong Tin Commercial Joint Stock Bank.

The Company held customers' securities as collaterals for the trade receivables from customers as at 30 June 2014.

29. 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.

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

11 August 2014