

Bao Viet Securities Joint Stock Company

Report of the Board of Directors and
Audited financial statements

31 December 2013



Bao Viet Securities Joint Stock Company

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Bao Viet Securities Joint Stock Company

GENERAL INFORMATION

COMPANY

Bao Viet Securities Joint Stock Company ("the Company", "BVSC") is a joint-stock company established in Vietnam under Incorporation Licence No. 4640/GP-UB issued on 1 October 1999 by the Hanoi People's Committee and Operating Licence No. 01/ GPHDKD issued on 26 November 1999 by the State Securities Commission with its charter capital of VND 43,000,000,000.

On 13 December 2006, the Company's shares were officially traded in Hanoi Securities Trading Center (now Hanoi Stock Exchange) pursuant to an approval in Decision No. 51/QD-TTGDHN issued on 30 November 2006 by Hanoi Securities Trading Center (now Hanoi Stock Exchange) and the Certificate of Securities Custody Registration No. 33/2006-GCNCP-TTLK issued on 13 December 2006 by Vietnam Securities Depository Center. On 10 December 2009, the Company was granted amended certificates of securities operating license No.01/GPHDKD in accordance with Decision No.288/UBCK-GP issued by the State Securities Commission on increasing its charter capital to VND 722,339,370,000.

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

The Company's head office is located at Bao Viet Group Building, No. 8 Le Thai To, Hoan Kiem District, Hanoi and its branch is located at Bao Viet Group Building No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

SIGNIFICANT EVENT

On 26 April 2013, Bao Viet Securities Joint Stock Company held 2013 Annual General Meeting of shareholders (the AGM). The shareholders of BVSC approved the replacement and supplement of two members of Board of Directors for the remaining 2010-2015 period and approved the appointment of Mr. Nguyen Duc Tuan as chairman of the Board of Directors.

BOARD OF DIRECTORS

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

<u>Name</u>	<u>Position</u>	<u>Date of appointment/ resignation</u>
Mr. Nguyen Duc Tuan	Chairman	Appointed on 26 April 2013
Mrs. Nguyen Thi Phuc Lam	Chairperson	Appointed on 3 April 2010 Retired on 26 April 2013
Mr. Le Hai Phong	Vice Chairman	Appointed on 3 April 2010
Mr. Nhu Dinh Hoa	Member	Appointed on 3 April 2010
Mr. Truong Ngoc Lan	Member	Appointed on 26 April 2013
Mr. Charles Bernard Gregory	Member	Appointed on 3 April 2010 Resigned on 26 April 2013
Mr. Le Van Binh	Member	Appointed on 3 April 2010

BOARD OF SUPERVISION

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

<u>Name</u>	<u>Position</u>	<u>Date of appointment</u>
Mr. Pham Trung Thanh	Head of the Board	Appointed on 3 April 2010
Mrs. Tran Thi Bich	Member	Appointed on 3 April 2010
Mrs. Luong Thi Bich Ngoc	Member	Appointed on 3 April 2010

Bao Viet Securities Joint Stock Company

GENERAL INFORMATION (continued)

BOARD OF MANAGEMENT

Members of 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. Nhu Dinh Hoa	Chief Executive Officer	Appointed on 18 March 2011
Mrs. Nguyen Thi Thanh Thuy	Deputy Chief Executive Officer	Appointed on 15 July 2010
Mr. Vo Huu Tuan	Deputy Chief Executive Officer Director of Ho Chi Minh Branch	Appointed on 4 February 2011

LEGAL REPRESENTATIVE

The legal representative of the Company for the year ended on 31 December 2013 and at the date of this report is Mr. Nhu Dinh Hoa, title: Chief Executive Officer.

AUDITORS

The auditors of the Company are Ernst & Young Vietnam Limited.

Bao Viet Securities Joint Stock Company

REPORT OF BOARD OF DIRECTORS

The Board of Directors of Bao Viet Securities Joint Stock Company ('the Company') is pleased to present its report and the financial statements of the Company for the year ended 31 December 2013.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for ensuring that the financial statements for each financial year give a true and fair view of the state of affairs of the Company and of its results and cash flows for the year. In preparing those financial statements, the Board of Management is required to:

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2013 and the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the accounting policies applicable to securities companies as set out in Circular No.95/2008/TT-BTC dated 24 October 2008 and Circular 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 Directors:

Mr. Nguyen Duc Tuan
Chairman

Hanoi, Viet Nam

28 March 2014

Reference: 60780870/16489218

INDEPENDENT AUDITORS' REPORT

To: **Shareholders**
Bao Viet Securities Joint Stock Company

We have audited the financial statements of Bao Viet Securities Joint Stock Company ("the Company") as set out on page 6 to 52, which comprise the balance sheet as at 31 December 2013, the income statement, the cash flow statement and the statement of changes in equity for 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, Vietnamese Enterprise Accounting System and the accounting policies applicable to securities companies 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.



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Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2013 and of the results of its operations, its cash flows and its changes in owners' equity for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the accounting policies applicable to securities companies as set out in Circular No. 95/2008/TT-BTC dated 24 October 2008, Circular No. 182/2010/TT-BTC dated 20 October 2010 by the Ministry of Finance and with statutory requirements relevant to preparation and presentation of financial statements.

Ernst & Young Vietnam Limited



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

Le Duc Linh
Auditor
Audit Practicing Registration
Certificate No. 1672-2013-004-1

Hanoi, Vietnam

28 March 2014

BALANCE SHEET
as at 31 December 2013

Currency: VND

Code	ASSETS	Notes	31 December 2013	31 December 2012
100	A. CURRENT ASSETS		1,644,929,366,173	1,245,457,527,196
110	I. Cash and cash equivalents	4	534,918,374,257	598,724,776,910
111	1. Cash		357,215,274,257	266,114,276,910
112	2. Cash equivalents		177,703,100,000	332,610,500,000
120	II. Short-term investments	6	662,321,404,963	422,867,197,098
121	1. Short-term investments		270,629,081,844	434,614,870,359
128	2. Other short-term investments		512,143,782,675	170,309,354,266
129	3. Provision for impairment of short-term investments		(120,451,459,556)	(182,057,027,527)
130	III. Current account receivables	7	442,716,037,938	220,115,444,990
131	1. Receivables from customers		1,428,264,108	1,293,919,255
132	2. Advances to suppliers		7,410,179,850	6,603,288,600
135	3. Receivables from securities trading activities		358,381,076,838	190,351,336,238
138	4. Other receivables		93,190,604,858	34,436,204,596
139	5. Provision for doubtful debts		(17,694,087,716)	(12,569,303,699)
150	IV. Other current assets		4,973,549,015	3,750,108,198
151	1. Short-term prepaid expenses		1,350,548,043	683,989,150
152	2. Value added tax deductible		-	187,171
154	3. Tax and other receivables from the State	20.1	3,273,243,302	2,668,258,877
158	4. Other current assets		349,757,670	397,673,000

The accompanying notes from 1 to 26 form part of these financial statements

BALANCE SHEET (continued)
as at 31 December 2013

Currency : VND

Code	ASSETS	Notes	31 December 2013	31 December 2012
200	B. NON-CURRENT ASSETS		147,765,486,175	289,400,833,311
220	I. Fixed assets		8,389,397,745	12,565,514,601
221	1. Tangible fixed assets	8	5,960,032,981	8,138,052,610
222	Cost		26,717,692,677	30,904,550,527
223	Accumulated depreciation		(20,757,659,696)	(22,766,497,917)
227	2. Intangible fixed assets	9	2,429,384,764	4,427,461,991
228	Cost		10,470,716,440	10,470,716,440
229	Accumulated amortisation		(8,041,351,676)	(6,043,254,449)
250	II. Long-term investments	6	119,112,223,000	257,417,881,419
253	1. Long-term investments in securities		157,614,223,000	280,198,173,000
254	Available for sales securities		107,736,573,000	140,275,973,000
255	Held to maturity securities investments		49,877,650,000	139,922,200,000
259	2. Provision for impairment of long-term investments		(38,502,000,000)	(22,780,291,581)
260	III. Other long-term assets		20,263,865,430	19,417,437,291
261	1. Long-term prepaid expenses	10	2,819,124,879	4,468,315,577
263	2. Deposits to Settlement Assistance Fund	11	16,902,340,251	14,406,721,414
268	3. Other long-term assets		542,400,300	542,400,300
270	TOTAL ASSETS		1,792,694,852,348	1,534,858,360,507

The accompanying notes from 1 to 26 form part of these financial statements

BALANCE SHEET (continued)
as at 31 December 2013

Currency: VND

Code	RESOURCES	Notes	31 December 2013	31 December 2012
300	A. LIABILITIES		580,640,946,983	409,227,159,433
310	I. Current liabilities		580,640,946,983	409,227,159,433
311	1. Short-term loans and borrowings		-	20,000,000,000
312	2. Trade payables	12	8,958,535,842	7,755,670,061
313	3. Advances from customers		1,819,300,000	1,949,715,000
314	4. Statutory obligations	20.2	1,914,652,686	1,042,997,175
315	5. Payables to employees		18,838,357,155	15,172,815,955
316	6. Accrued expenses		854,431,819	1,066,704,553
320	7. Payables related to securities trading activities	13	331,975,838,414	246,491,207,124
321	8. Shares dividend, bond principal and interest payables		10,377,664,610	12,387,215,055
322	9. Payables to securities issuers	14	1,911,831,075	2,056,186,752
323	10. Bonus and welfare fund		506,267,343	716,067,343
328	11. Other payables	15	203,484,068,039	100,588,580,415
400	B. OWNERS' EQUITY		1,212,053,905,365	1,125,631,201,074
410	I. Owners' equity		1,212,053,905,365	1,125,631,201,074
411	1. Contributed charter capital		722,339,370,000	722,339,370,000
412	2. Share premium		610,253,166,720	610,253,166,720
414	3. Treasury share		(228,000,000)	(228,000,000)
417	4. Capital supplementary reserve	16	14,322,179,098	14,322,179,098
418	5. Financial reserve fund	16	14,322,179,098	14,322,179,098
420	6. Accumulated losses		(148,954,989,551)	(235,377,693,842)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		1,792,694,852,348	1,534,858,360,507

The accompanying notes from 1 to 26 form part of these financial statements

BALANCE SHEET (continued)
as at 31 December 2013

OFF BALANCE SHEET ITEMS

Currency: VND

Code	ITEMS	Notes	31 December 2013	31 December 2012
002	1. Materials, valuable papers on consignment		-	-
004	2. Bad debts written off		390,400,000	390,400,000
006	3. Deposited securities		16,546,388,370,000	17,155,622,420,000
	<i>In which:</i>			
007	3.1. Securities with normal trading		16,097,420,410,000	16,639,066,360,000
008	3.1.1. Trading securities of custody investors		47,762,600,000	108,564,490,000
009	3.1.2. Trading securities of domestic investors		15,933,284,950,000	16,415,906,430,000
010	3.1.3. Trading securities of foreign investors		116,372,860,000	114,595,440,000
012	3.2. Temporarily unprocessed securities		253,706,530,000	406,059,660,000
013	3.2.1. Temporarily unprocessed securities of the Company		152,000,000	152,000,000
014	3.2.2. Temporarily unprocessed securities of domestic investors		253,464,030,000	405,817,160,000
015	3.2.3. Temporarily unprocessed securities of foreign investors		90,500,000	90,500,000
017	3.3. Mortgaged securities		195,261,430,000	110,496,400,000
019	3.3.1. Mortgaged securities of domestic investors		195,261,430,000	110,496,400,000
082	4. Non-custody securities held of investors		2,733,484,330,000	2,627,749,400,000
083	5. Non-custody securities held of the Company		302,559,370,000	300,058,160,000



Ms. Vu Thi Thuy Linh
Deputy Head of Financial
Accounting Department



Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department



Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam


28 March 2014


The accompanying notes from 1 to 26 form part of these financial statements


INCOME STATEMENT
for the year ended 31 December 2013

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue	17	207,350,609,633	208,669,756,466
	<i>In which:</i>			
01.1	- Revenue from brokerage services		44,720,895,335	48,803,171,620
01.2	- Revenue from securities trading and investments		50,138,398,752	54,729,249,587
01.3	- Revenue from underwriting services		1,650,000,000	62,995,770
01.4	- Revenue from securities issuance services		92,284,007	-
01.5	- Revenue from advisory services		6,180,753,634	5,180,687,568
01.6	- Revenue from custodian services		2,952,805,849	3,278,935,430
01.7	- Revenue from auction trust services		109,382,728	21,281,750
01.9	- Revenue from other activities		101,506,109,328	96,593,434,741
02	2. Deductions		-	-
10	3. Net revenue from operating activities		207,350,609,633	208,669,756,466
11	4. Operating expenses	18	(71,360,197,291)	(89,939,055,285)
20	5. Gross profit from operating activities		135,990,412,342	118,730,701,181
25	6. General and administrative expenses	19	(49,733,339,018)	(41,368,739,522)
30	7. Operating income		86,257,073,324	77,361,961,659
31	8. Other income		26,818,182	79,637,584
32	9. Other expenses		(466,171,640)	(123,414,101)
40	10. Other profit/ (loss)		(439,353,458)	(43,776,517)
50	11. Profit before tax		85,817,719,866	77,318,185,142
51	12. Current corporate income tax expense	20.3	-	-
60	13. Net profit after tax		85,817,719,866	77,318,185,142
70	14. Basic Earnings per share			
	- Basic (VND per share)	22	1,188	1,071


Ms. Vu Thi Thuy Linh
Deputy Head of Financial
Accounting Department


Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department


Mr. Nhu Dinh Hoa
Chief Executive Officer



Hanoi, Vietnam

28 March 2014

The accompanying notes from 1 to 26 form part of these financial statements

CASH FLOW STATEMENT
for the year ended 31 December 2013

Currency : VND


Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Receipts from operating activities		8,514,157,975,991	6,437,856,267,593
02	Payments to operating activities		(8,599,690,041,725)	(6,477,054,713,322)
05	Payments to Settlement Assistance Fund		(1,071,588,185)	(1,495,618,837)
06	Receipts from securities trading of clients		40,877,174,346,557	37,679,028,477,743
07	Payments to securities trading of clients		(40,757,597,892,928)	(37,513,396,243,174)
08	Receipts from the issues of securities		235,639,924,475	99,519,250,400
09	Payments to securities issuers		(247,546,878,562)	(100,219,083,419)
10	Payment to suppliers		(26,654,964,606)	(122,753,742,459)
11	Payments to employees		(41,503,911,251)	(39,087,887,285)
12	Interest payments		(1,523,741,746)	(317,202,207)
13	Corporate income tax payments		-	-
14	Other receipts		316,334,685,758	239,404,497,517
15	Other payments		(303,994,993,922)	(295,771,417,523)
20	Net cash flows used in operating activities		(36,277,080,144)	(94,287,414,973)
	II. CASH FLOW FROM INVESTING ACTIVITIES			
21	Payments for purchase of fixed assets and other long-term assets		(1,297,535,094)	(165,377,400)
22	Proceeds from disposal of fixed assets and other long-term assets		21,818,182	7,818,181
25	Payments for investments in other entities		(737,172,180,950)	(514,438,509,300)
26	Proceeds from sales of investments in other entities		635,933,120,982	552,548,415,763
27	Interest received, dividends and distributed profits		94,985,454,371	96,421,757,009
30	Net cash flows from/ used in investing activities		(7,529,322,509)	134,374,104,253


The accompanying notes from 1 to 26 form part of these financial statements

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


Currency : VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from short-term and long-term loans		50,000,000,000	70,000,000,000
34	Loan payment		(70,000,000,000)	(50,000,000,000)
40	Net cash flows used in financing activities		(20,000,000,000)	20,000,000,000
50	Net increase/(decrease) in cash and cash equivalents		(63,806,402,653)	60,086,689,280
60	Cash and cash equivalents at the beginning of the year		598,724,776,910	538,638,087,630
61	Impact of exchange fluctuation		-	-
70	Cash and cash equivalents at the end of the year	4	534,918,374,257	598,724,776,910


Ms. Vu Thi Thuy Linh
Deputy Head of Financial
Accounting Department


Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department




Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam

28 March 2014

The accompanying notes from 1 to 26 form part of these financial statements

Bao Viet Securities Joint Stock Company

B05-CTCK

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

Currency: VND

ITEMS	Notes	Beginning balance		Increase/(decrease)				Closing balance	
		01 January 2012		01 January 2013		For the year ended 31 December 2012		For the year ended 31 December 2013	
		1	2	Increase	Decrease	Increase	Decrease	31 December 2012	31 December 2013
A	B	3	4	5	6	7	8		
1. Contributed charter capital		722,339,370,000	722,339,370,000	-	-	-	-	722,339,370,000	722,339,370,000
2. Share premium		610,253,166,720	610,253,166,720	-	-	-	-	610,253,166,720	610,253,166,720
3. Treasury share		(228,000,000)	(228,000,000)	-	-	-	-	(228,000,000)	(228,000,000)
4. Capital supplementary reserve	15	14,322,179,098	14,322,179,098	-	-	-	-	14,322,179,098	14,322,179,098
5. Financial reserve	15	14,322,179,098	14,322,179,098	-	-	-	-	14,322,179,098	14,322,179,098
6. Accumulated losses		(312,695,878,984)	(235,377,693,842)	77,318,185,142	-	86,422,704,291 (*)	-	(235,377,693,842)	(148,954,989,551)
TOTAL		1,048,313,015,932	1,125,631,201,074	77,318,185,142	-	86,422,704,291	-	1,125,631,201,074	1,212,053,905,365

(*) This is included the profit after tax for the year ended 31 Dec 2013 and the increase of VND 604,984,425 as result of reconciliation with Tax authorities.



[Handwritten signature]

Ms. Vu Thi Thuy Linh
Deputy Head of Financial Accounting Department

Ms. Nguyen Hong Thuy
Head of Financial Accounting Department

Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam
28 March 2014

The accompanying notes from 1 to 26 form part of these financial statements

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

1. THE COMPANY

Bao Viet Securities Joint-Stock Company is a joint stock company established in Vietnam under Incorporation Licence No. 4640/GP-UB issued on 1 October 1999 by the Hanoi People's Committee and Operating Licence No. 01/ GPHDKD issued on 26 November 1999 by the State Securities Commission with its charter capital of VND 43,000,000,000.

On 13 December 2006, the Company's shares were officially traded on Hanoi Securities Trading Centre (now called Hanoi Stock Exchange) pursuant to an approval in Decision No. 51/QD-TTGDHN dated 30 November 2006 issued by Hanoi Securities Trading Centre (now Hanoi Stock Exchange) and the Certificate of Securities Custody Registration No. 33/2006-GCNCP-TTLK dated 13 December 2006 issued by Vietnam Securities Depository Centre. On 10 December 2009, the Company was granted amended certificates of securities operating license No.01/GPHDKD in accordance with Decision No.288/UBCK-GP issued by the State Securities Commission on increasing its charter capital to VND 722,339,370,000.

The principal activities of the Company are brokerage service, custodian service, proprietary trading, underwriting, and corporate finance and investment advisory service.

LOCATION AND NETWORKS

The Company's head office is located at Bao Viet Group Building, No. 8 Le Thai To, Hoan Kiem District, Hanoi and its branch is located at Bao Viet Group Building No. 233, Dong Khoi Street, District 1, Ho Chi Minh City.

The Company has transaction offices as follows:

<i>Name</i>	<i>Address</i>
Transaction office and Brokerage Department (Hanoi)	Bao Viet Building, No.8 Le Thai To Str., Hoan Kiem Dist., Hanoi
Transaction office No 1 (Hanoi)	94 Ba Trieu Str., Hoan Kiem Dist., Hanoi
Transaction office My Dinh (Hanoi)	8 Nguyen Co Thach Str., My Dinh Dist., Hanoi
Transaction office and Brokerage Department (Ho Chi Minh City)	11 Nguyen Cong Tru, District 1, Ho Chi Minh City
Transaction office 146 Nguyen Van Cu (Ho Chi Minh City)	146 Nguyen Van Cu Str, District 1, Ho Chi Minh City

EMPLOYEES

The number of Company's employees as at 31 December 2013 was 225 (as at 31 December 2012 was 219).

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

2. BASIS OF PRESENTATION

2.1. Standards and applicable accounting system

The financial statements of the Company (the "Company"), which are expressed in Vietnam dong ("VND"), are prepared in accordance with the 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 and the Vietnamese Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

For the purpose of preparing the financial statements, cash deposited by investors into bank accounts opened by the Company for securities trading are presented as cash and other payables in the balance sheet.

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

2.2. Registered accounting documentation system

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

2.3. Fiscal year

The Company's fiscal year applicable for the preparation of its financial statements starts on 01 January and ends on 31 December.

The Company also prepares financial statements for six-month period ended 30 June.

2.4. Accounting currency

The Company maintains its accounting records in Vietnamese currency.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies

Accounting policies that the Company applied are consistent with the accounting policies for the preparation of financial statements for the year 2012, except for changes in accounting policies related to the following transactions:

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 takes effect from June 10, 2013. According to the provisions of this circular, fixed assets must simultaneously satisfy the following three criteria:

- ▶ Certainty in economic benefit for the future use of such property;
- ▶ Time of use is more than a year.

The cost of assets to be measured reliably, and are valued at VND 30,000,000 (thirty million) or more.

Accordingly, since 10 June 2013, the Company removed the cost and accumulated depreciation of fixed asset which valued less than VND 30,000,000 from balance sheet and allocated net book value into expense for no more than 3 years.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash at banks, customers' deposit for trading of securities 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 comprise investors' deposits for securities trading.

3.3 Receivables

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

Receivables are subject to review for impairment based on overdue periods of the receivables or estimated loss arising from undue debts of which the indebted economic organisations fall bankrupt or are undergoing dissolution procedures; debtors are missing, have fled, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or have deceased. The provision expense is recorded as "General and administrative expenses" in the income statement.

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

<u>Overdue period</u>	<u>Provision rate</u>
From over six (06) months to less than one (01) year	30%
From one (01) year to less than two (02) years	50%
From two (02) years to less than three (03) years	70%
Over three (03) years	100%

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

3.6 *Depreciation and amortisation*

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

Machinery and equipment	2 - 8 years
Vehicle	6 - 8 years
Office equipment	3 - 5 years
Computer software	3 - 5 years
Other intangible assets	3 - 4 years

3.7 *Leased assets*

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Investments

3.8.1 Investment in securities

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

Trading Securities

Trading securities are 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 fees, information fees, taxes, levies and banking fees.

Accrued interest income are recognized 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 impairment of trading securities is made when their book value is higher than market value. Provision for impairment loss is recognized in "Operating expenses" in the income statement.

3.8.2 Long-term investments

Long-term investment securities comprise available-for-sale and held to maturity securities.

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

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

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

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

Long-term investment securities are measured at cost including purchased costs plus (+) transaction cost (if any). Provision for impairment is recognised in the income statement when there is sufficient objective evidence of the long-term diminution of the investments.

3.8.3 Other long-term investments

Other long-term investments include investments in other entities in which the Company has less than 20% of voting rights. These investments are measured at cost. Provision for impairment is recognized in the income statement when there is sufficient objective evidence of the long-term diminution of the investments.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Provision for impairment of securities investments*

3.9.1 *Provision for impairment of trading securities and long-term investment securities*

Provision for impairment of investment securities is made for individual stock when the 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 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 price on stock markets (which are the closing prices on Hanoi Stock Exchange and Ho Chi Minh City Stock Exchange) as at 31 December 2013, the last trading day of the year.

The market values of unlisted shares which have been registered in the unlisted public company market (UPCom) is the average price of the trading market at the date of provision.

The market values of unlisted shares which have not been registered in the unlisted public company market (UPCom) is the average of public price quotations of at least three (03) reputed and large securities companies in the market and/or pricing model of the company in according with Vietnamese and international policies. In case the reliable information is not available, the securities would be recorded at cost.

3.9.2 *Provision for impairment of other short-term and long-term investments*

Provision for impairment of other short-term investments for joint investment is made based on the analysis of recovery of investment.

Provision for impairment of other long-term investments is made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013, amendment and addition to Circular No. 228/2009/TT-BTC by the Ministry of Finance when the investees are suffering from loss (except for the expected loss identified in the business plan before the investment). Accordingly, provision is the disparity between parties' actual investment into investees and actual owner's equity multiplied (x) by the ratio of the Company's investment compared with total investment by parties.

3.10 *Securities purchased/sold under agreement to resell/repurchase*

Securities sold under agreements to repurchase at a specified future date ("repos") are not derecognized in the financial statements. The corresponding cash received is recognized as a liability in the balance sheet. The difference between the selling price and repurchasing price is recognized as an expense/asset pending allocation and is allocated to the income statement over the life of the agreement.

Conversely, securities purchased under agreements to resell at a specified future date ("reverse repos") (if any) are not recognized in the financial statements. The corresponding cash paid is recognized as an asset in the balance sheet. The difference between the purchasing price and reselling price is recognized as an income/liability pending allocation and is allocated to the income statement over the life of the agreement.

3.11 *Payables and accruals*

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Employment 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

Voluntary resignation benefits: the Company has the obligation, under Section 42 of the Labor Code amended on 02 April 2002, to pay an allowance to voluntarily resigning employees, equal to half of one-month's basic salary for each year of employment plus wage allowances (if any) until 31 December 2008. Commencing 01 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting period based on the average monthly salary of the most recent 6 months up to the balance sheet date;

Retrenchment benefits: the Company has the obligation, under Section 17 of the Labor Code, to pay an allowance to employees who are retrenched as a result of organizational restructuring or technological changes. In such cases, the Holdings shall pay to employees an allowance for loss of work equivalent to the aggregate amount of one month salary for each year of employment, but no less than two month salary.

In accordance with Circular 180/2012/TT-BTC dated 24 October 2012, from the year 2012, the Company stopped accruing retrenchment allowance. Payments for retrenchment allowance are recognised as expenses in the year in which they are incurred.

3.12.3 Unemployment allowance

According to Circular No. 04/2009/TT-BLĐTBXH and Decree No. 127/2008/NĐ-CP, since 1 January 2009, the Company is required to pay the unemployment insurance at 1.00% of salary fund of employees who engage in the unemployment insurance program and deduct 1.00% from each employer's basic salary to make contribution to the Unemployment Insurance Fund.

3.13 Treasury shares

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

3.14 Appropriation of net profits

After making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements, the net remaining profit after tax is distributed in accordance with resolutions of the General Shareholders' Meeting.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the weighted average cost of securities sold and selling price.

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 dividend received in shares which is monitored by number of shares only.

Revenue from securities repurchase and reverses repurchase agreements

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

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the terms of the lease.

3.16 Cost of securities sold

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Taxation

Current income tax

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

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

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

Deferred income tax

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

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

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized, 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; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Taxation (continued)

Deferred income tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

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

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

3.18 Reserves

The Company uses retained earnings to create reserves in accordance with Circular No. 11/2000/TT-BTC issued by the Ministry of Finance on 01 February 2000 as follows:

	<u>Percentage of profit after tax</u>	<u>Maximum level</u>
Capital Supplementary Reserve	5%	10% of charter capital
Statutory Reserve	5%	10% of charter capital

In 2013, the above funds are not made appropriation to reserves as the Company still has accumulated losses of 2013.

Other reserves and funds are created in accordance with resolutions of shareholders' meetings.

4. CASH AND CASH EQUIVALENTS

	<u>31 December 2013</u>	<u>31 December 2012</u>
	VND	VND
Cash on hand	68,784,377	21,067,400
Cash at bank	357,146,489,880	266,093,209,510
- <i>Company's deposits</i>	26,526,493,126	20,682,507,314
- <i>Investors' deposits for securities trading</i>	330,619,996,754	245,410,702,196
Cash equivalents	177,703,100,000	332,610,500,000
	<u>534,918,374,257</u>	<u>598,724,776,910</u>

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

5. VALUE AND VOLUME OF TRADING IN THE YEAR

	<i>Volume of trading in the year Unit</i>	<i>Value of trading in the year VND</i>
1. The Company	24,466,782	931,229,096,690
- Shares	18,634,276	346,273,810,460
- Bonds	5,299,356	580,327,448,230
- Others	533,150	4,627,838,000
2. Investors	2,013,455,022	47,440,425,631,689
- Shares	1,761,734,823	20,920,786,270,586
- Bonds	250,238,819	26,503,407,680,103
- Others (fund certificates)	1,481,380	16,231,681,000

6. FINANCIAL INVESTMENTS

	<i>31 December 2013 VND</i>	<i>31 December 2012 VND</i>
Short-term investments	662,321,404,963	422,867,197,098
Trading securities	270,629,081,844	434,614,870,359
Other financial investments	512,143,782,675	170,309,354,266
Provision for decrease in value of short-term investments	(120,451,459,556)	(182,057,027,527)
Long-term investments	119,112,223,000	257,417,881,419
Investment securities	157,614,223,000	280,198,173,000
<i>Available-for-sale securities</i>	107,736,573,000	140,275,973,000
<i>Held-to-maturity securities</i>	49,877,650,000	139,922,200,000
Provision for decrease in value of long-term investments	(38,502,000,000)	(22,780,291,581)
	781,433,627,963	680,285,078,517

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

6. FINANCIAL INVESTMENTS (continued)

6.1 Investment portfolio

The Company's investment portfolio as at 31 December 2013 was as follows:

Item	Quantity	Book value (VND)	In comparison with market value (VND)		Market value (VND)
			Increase	Decrease	
I. Short-term investments					
1. Trading securities					
Listed shares	4,755,622	112,992,612,000	1,424,314,850	(33,108,707,150)	81,308,219,700
Unlisted shares	4,079,187	81,982,859,144	508,500	(49,823,469,217)	32,159,898,427
Fund certificates	4,866,855	75,653,610,700	9,858,239,364	(2,266,225,600)	83,245,624,464
	13,701,664	270,629,081,844	11,283,062,714	(85,198,401,967)	196,713,742,591
2. Other short-term investments					
Term deposits	N/A	275,000,000,000	-	-	275,000,000,000
Bonds	1,284,970	218,000,404,448	3,371,007,639	(16,109,679,362)	205,261,732,725
Short-term joint investments	N/A	19,143,378,227	-	(19,143,378,227)	-
	1,284,970	512,143,782,675	3,371,007,639	(35,253,057,589)	480,261,732,725
	14,986,634	782,772,864,519	14,654,070,353	(120,451,459,556)	676,975,475,316
II. Long-term investments					
1. Securities investments					
Available for sale securities					
Unlisted shares	7,260,047	87,775,973,000	-	(38,502,000,000)	49,273,973,000
Bonds	200,000	19,960,600,000	39,400,000	-	20,000,000,000
	7,460,047	107,736,573,000	39,400,000	(38,502,000,000)	69,273,973,000
Held to maturity securities					
Bonds	500,000	49,877,650,000	122,350,000	-	50,000,000,000
	500,000	49,877,650,000	122,350,000	-	50,000,000,000
	7,960,047	157,614,223,000	161,750,000	(38,502,000,000)	119,273,973,000

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

6. FINANCIAL INVESTMENTS (continued)

6.1 Investment portfolio (continued)

The Company's investment portfolio as at 31 December 2012 was as follows:

Items	Quantity (Unit)	Book value (VND)	In comparison with market value		Market value (VND)
			Increase	(Decrease)	
I. Short-term investments					
1. Trading securities					
Listed-shares	5,446,517	176,696,437,189	107,809,020	(91,212,291,509)	85,582,054,700
Unlisted-shares	3,988,042	81,673,569,920	328,500	(41,888,072,502)	39,785,825,918
Bonds	932,020	93,202,000,000	1,866,924	-	93,203,866,924
Fund certificates	5,400,005	83,042,863,250	-	(29,647,309,250)	53,395,554,000
	15,746,584	434,614,870,359	110,104,444	(162,747,673,261)	271,977,301,542
2. Other financial investments					
Term deposits	N/A	151,000,000,000	-	-	151,000,000,000
Short-term joint investments	N/A	19,309,354,266	-	(19,309,354,266)	-
	N/A	170,309,354,266	-	(19,309,354,266)	151,000,000,000
	15,746,584	604,924,224,625	110,104,444	(182,057,027,527)	422,977,301,542
II. Long-term investments					
1. Investment Securities					
Available-for-sale securities					
Unlisted-shares	7,510,047	90,275,973,000	-	(22,780,291,581)	67,495,681,419
Bonds	500,000	50,000,000,000	3,153,427,188	-	53,153,427,188
	8,010,047	140,275,973,000	3,153,427,188	(22,780,291,581)	120,649,108,607
Held-to-maturity securities					
Bonds	500,090	139,922,200,000	4,751,082,338	-	144,673,282,338
	500,090	139,922,200,000	4,751,082,338	-	144,673,282,338
	8,510,137	280,198,173,000	7,904,509,526	(22,780,291,581)	265,322,390,945

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

6. FINANCIAL INVESTMENTS (continued)

6.2 Short-term investment portfolio as at 31 December 2013

Items	Quantity	Book Value (VND)	Decrease in comparison to market value (VND)	Market Value (VND)
Listed securities				
DHM	20,000	404,000,000	(248,000,000)	156,000,000
HVX	730,970	10,401,332,150	(7,258,161,150)	3,143,171,000
KLS	370,016	3,327,095,300	(107,956,100)	3,219,139,200
KSB	11,298	362,633,710	(121,986,310)	240,647,400
PET	118,503	2,555,932,170	(91,069,770)	2,464,862,400
PHC	390,400	7,292,489,000	(5,848,009,000)	1,444,480,000
SJS	140,000	6,172,236,920	(3,582,236,920)	2,590,000,000
TIX	880,273	28,032,798,670	(11,659,720,870)	16,373,077,800
VHC	141,484	4,069,364,670	(744,490,670)	3,324,874,000
VNM	65,007	8,965,969,000	(190,024,000)	8,775,945,000
VOS	200,002	3,841,762,650	(2,941,753,650)	900,009,000
Other securities	609,976	14,626,725,110	(315,298,710)	14,311,426,400
Securities not impaired	1,077,893	22,940,272,850	-	24,364,587,500
	4,755,622	112,992,612,000	(33,108,707,150)	81,308,219,700
Fund certificates				
VFMVFA	780,000	7,907,950,000	(2,266,225,600)	5,641,724,400
VFMVF1	4,088,855	67,745,660,700	-	77,603,900,064
	4,866,855	75,653,610,700	(2,266,225,600)	83,245,624,464
Unlisted securities				
DANAPHA	91,000	3,738,000,000	(1,158,241,000)	2,579,759,000
DUOCHANOI	359,388	6,987,720,000	(2,943,886,224)	4,043,833,776
DUOCTU3	127,953	3,532,924,500	(1,230,410,265)	2,302,514,235
HOADAUKHIVIDAMO	500,000	6,600,000,000	(3,752,500,000)	2,847,500,000
LILAMA693	92,000	2,760,000,000	(2,263,108,000)	496,892,000
MEDIPLANTEX	282,500	7,875,000,000	(3,399,637,500)	4,475,362,500
OTO3.2	240,000	4,880,000,000	(2,266,080,000)	2,613,920,000
PMT	20,000	1,059,173,000	(997,173,000)	62,000,000
VAFCO	642,000	13,740,000,000	(6,656,172,000)	7,083,828,000
XNKDN	200,000	2,140,000,000	(1,154,800,000)	985,200,000
Other securities	975,283	24,002,344,620	(24,001,461,228)	1,391,892
Securities not impaired	569,063	4,867,697,024	-	4,867,697,024
	4,079,187	81,982,859,144	(49,823,469,217)	32,159,898,427
Short-term bonds	1,284,970	218,000,404,448	(16,109,679,362)	201,890,725,086
Short-term joint investments	N/A	19,143,378,227	(19,143,378,227)	-
Short-term deposits	9	275,000,000,000	-	292,802,931,420
Total	N/A	782,772,864,519	(120,451,459,556)	691,612,906,197

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

6. FINANCIAL INVESTMENTS (continued)

6.3 Long-term investment portfolio as at 31 December 2013

<i>Items</i>	<i>Quantity</i>	<i>Book value VND</i>	<i>Decrease in comparison to market value VND</i>	<i>Market value VND</i>
Unlisted securities				
Bac Ha Power Project	6,000,000	75,000,000,000	(38,502,000,000)	36,498,000,000
GPIInvest	1,260,047	12,775,973,000	-	12,775,973,000
Total	7,260,047	87,775,973,000	(38,502,000,000)	49,273,973,000

Provision for impairment of investment securities is made for individual stock when the market value is lower than the book value.

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

The market values of unlisted shares are determined based on the average trading prices as at 31 December 2013 for those which are registered to trade in unlisted public company market (UPCom) or on the average of public price quotations of at least three (03) reputed and large securities companies in the market for those which have not registered to trade in UPCom. Other securities that have no quoted prices are carried at cost.

For securities which have no reference prices from the above sources, the impairment level is determined based on the financial performance and book value of securities issuers as at 31 December 2013.

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

7. CURRENT ACCOUNT RECEIVABLES

Items	Opening balance		Movement		Closing balance		Provision
	Total	Overdue	Increase	Decrease	Total	Overdue	
1. Receivables from customers	1,203,919,255	-	34,925,498,810	34,791,153,957	1,428,264,108	-	-
2. Advances to suppliers	6,603,288,800	1,447,875,000	3,912,267,956	3,106,378,706	7,410,179,850	1,447,875,000	400,000,000 (1,847,875,000)
3. Receivables from securities trading activities	190,351,336,238	-	8,245,796,869,699	8,077,767,119,099	368,381,076,838	-	4,716,694,017 (4,716,694,017)
- Receivables from customers for transaction fees and custody fees	751,353,587	-	47,273,276,804	47,143,789,221	880,860,870	-	-
- Receivables from customers for margin activities	69,475,743,237	-	2,163,248,378,930	2,019,934,573,377	242,787,548,790	-	-
- Receivables from customers for advance activities	89,820,232,814	-	6,035,277,204,165	6,010,688,776,501	114,403,660,278	-	-
- Receivables from customers for other trading activities	304,006,800	-	-	-	304,006,800	-	-
4. Other receivables	34,436,204,696	11,121,428,699	139,400,514,312	80,646,114,050	93,190,604,858	11,121,428,699	8,190,000 (11,129,518,699)
- Interests	10,148,865,378	-	40,019,434,193	29,699,938,578	20,568,393,981	-	-
- Dividend	766,180,807	-	4,970,823,542	5,874,344,248	62,060,100	-	-
- Bond interests	12,318,883,567	-	41,097,824,163	42,032,255,667	11,384,442,063	-	-
- Receivables under repo contracts	11,202,274,848	-	50,011,258,889	-	50,011,258,889	-	-
- Other receivables	232,684,748,699	11,121,428,699	3,301,173,525	3,338,578,566	11,163,898,815	11,121,428,699	8,190,000 (11,129,518,699)
Total short-term receivables	232,684,748,699	-	8,424,035,140,777	8,195,309,763,812	460,410,125,654	-	-
Provision for doubtful debts	(12,569,303,899)	-	(5,124,764,017)	-	(17,694,087,716)	-	-
	220,115,444,990	12,650,149,846	8,418,926,522,342	8,193,225,929,394	442,716,037,938	12,611,744,816	5,082,342,901 (17,694,087,716)

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

8. TANGIBLE FIXED ASSETS

	<i>Machinery and equipment VND</i>	<i>Vehicle VND</i>	<i>Office equipment VND</i>	<i>Total VND</i>
Cost:				
As at 1 January 2013	25,218,431,370	4,174,058,703	1,512,060,454	30,904,550,527
Newly purchased	1,026,902,800	-	-	1,026,902,800
Decrease (*)	(4,373,654,967)	-	(840,105,683)	(5,213,760,650)
As at 31 December 2013	21,871,679,203	4,174,058,703	671,954,771	26,717,692,677
Accumulated depreciation:				
As at 1 January 2013	18,603,963,947	2,702,124,734	1,460,409,236	22,766,497,917
Depreciation for the year	2,500,332,080	564,191,712	27,071,688	3,091,595,460
Decrease (*)	(4,262,224,657)	-	(838,209,024)	(5,100,433,681)
As at 31 December 2013	16,842,071,350	3,266,316,446	649,271,900	20,757,659,696
Net carrying amount:				
As at 1 January 2013	6,614,467,423	1,471,933,969	51,651,218	8,138,052,610
As at 31 December 2013	5,029,607,853	907,742,257	22,682,871	5,960,032,981

(*) Including the assets that are not satisfied to be recorded as fixed assets according to Circular No. 45/2013/TT-BTC.

9. INTANGIBLE FIXED ASSETS

	<i>Computer software VND</i>	<i>Others VND</i>	<i>Total VND</i>
Cost:			
As at 1 January 2013	7,502,928,184	2,967,788,256	10,470,716,440
Purchased	-	-	-
Sold, disposed	-	-	-
As at 31 December 2013	7,502,928,184	2,967,788,256	10,470,716,440
Accumulated amortization:			
As at 1 January 2013	4,256,522,440	1,786,732,009	6,043,254,449
Amortization for the year	1,721,106,771	276,990,456	1,998,097,227
Sold, disposed	-	-	-
As at 31 December 2013	5,977,629,211	2,063,722,465	8,041,351,676
Net carrying amount:			
As at 1 January 2013	3,246,405,744	1,181,056,247	4,427,461,991
As at 31 December 2013	1,525,298,973	904,065,791	2,429,364,764

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

10. LONG-TERM PREPAID EXPENSES

	31 December 2013 VND	31 December 2012 VND
Prepaid operating leases	2,027,625,594	3,653,295,390
Tool expenses	562,669,218	99,846,884
Renovation expenses	-	715,173,303
Other long-term prepaid expenses	228,830,067	-
	2,819,124,879	4,468,315,577

11. DEPOSITS TO SETTLEMENT ASSISTANCE FUND

The deposit to the Settlement Assistance Fund represents the amounts of money deposited at Vietnam Securities Depository.

In accordance with Decision No.27/QĐ-VSD dated 22 April 2010 and Decision No. 102/QĐ-VSD dated 14 July 2010 on amending and supplementing the Guideline on Securities Clearing and Settlement promulgated with Decision No.27/QĐ-VSD dated 22 April 2010 by Chief Executive Officer of Vietnam Securities Depository, the Company is obligated to deposit an initial amount of VND 120 million at each Stock Exchange and it has to annually contribute the additional amount equals to 0.01% of total securities trading value at the Stock Exchanges of the previous year but not exceed VND 2.5 billion/year.

The movement of the deposit to the Settlement Assistance Fund during the year is as follows:

	31 December 2013 VND	31 December 2012 VND
Opening balance	14,406,721,414	11,906,721,414
Additional deposit	1,071,588,185	1,495,618,837
Interest during the year	1,424,030,652	1,004,381,163
Ending balance	16,902,340,251	14,406,721,414

12. TRADE PAYABLES

	31 December 2013 VND	31 December 2012 VND
Payable to Bao Viet Holdings	6,918,605,590	5,993,338,329
Other trade payables	2,039,930,252	1,762,331,732
	8,958,535,842	7,755,670,061

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

13. PAYABLES RELATED TO SECURITIES TRADING ACTIVITIES

	31 December 2013 VND	31 December 2012 VND
Payables to the Stock Exchange	1,078,867,182	781,651,958
Payables to Securities Depository Center	276,974,478	298,852,970
Payables to investors for securities trading activities (*)	<u>330,619,996,754</u>	<u>245,410,702,196</u>
	<u>331,975,838,414</u>	<u>246,491,207,124</u>

(*) Including payables to investors for their deposit in the Company for securities trading

14. PAYABLES TO SECURITIES ISSUING ORGANIZATIONS

	31 December 2013 VND	31 December 2012 VND
Hanoi Head Office	779,179,125	846,254,512
Ben Tre Forestry And Aquaproduct Import Export JSC	225,533,000	225,533,000
Others	553,646,125	620,721,512
Ho Chi Minh City Branch	1,132,651,950	1,209,932,240
Bao Viet Holdings	498,357,500	498,357,500
Kido - KDC JSC	135,000,000	135,000,000
Imexpharm - IMP JSC	113,460,000	113,460,000
Others	385,834,450	463,114,740
	<u>1,911,831,075</u>	<u>2,056,186,752</u>

15. OTHER PAYABLES

	31 December 2013 VND	31 December 2012 VND
Trade Union fee	1,143,929,297	1,667,579,653
Social insurance	24,383,739	21,561,080
Unemployment insurance benefit	6,483,917	1,638,000
Payables under repo contracts	192,729,880,893	93,379,897,406
Other payables	9,579,390,193	5,517,904,276
	<u>203,484,068,039</u>	<u>100,588,580,415</u>

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

16. OWNER'S EQUITY

16.1 Shares

	<u>31 December 2013</u>	<u>31 December 2012</u>
Number of shares allowed to issue	72,233,937	72,233,937
Number of shares issued	72,233,937	72,233,937
- Ordinary shares	72,233,937	72,134,237
- Preference shares	-	99,700
Number of treasury shares	15,200	15,200
Number of shares under circulation	72,218,737	72,218,737
- Ordinary shares	72,218,737	72,119,037
- Preference shares	-	99,700

Face value of each share is 10,000 VND.

On 13 December 2006, the Company's shares were officially traded on Hanoi Stocks Trading Center (now Hanoi Stock Exchange) pursuant to an approval in Decision No. 51/QD-TTGDHN dated 30 November 2006 issued by Hanoi Securities Trading Center (now Hanoi Stock Exchange).

16.2 Reserves

	<u>Opening balance</u> VND	<u>Increase</u> VND	<u>Decrease</u> VND	<u>Ending balance</u> VND
Financial reserve fund	14,322,179,098	-	-	14,322,179,098
Capital supplementary reserve	14,322,179,098	-	-	14,322,179,098
	<u>28,644,358,196</u>	<u>-</u>	<u>-</u>	<u>28,644,358,196</u>

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

17. REVENUE

	<i>Current year</i> VND	<i>Previous year</i> VND
1. Revenue		
Brokerage services	44,720,895,335	48,803,171,620
Securities investment and other investment activities	50,138,398,752	54,729,249,587
Underwriting services	1,650,000,000	62,995,770
Securities issuance agent services	92,284,007	-
Advisory services	6,180,753,634	5,180,687,568
Custody services	2,952,805,849	3,278,935,430
Auction trust services	109,362,728	21,281,750
Others	101,506,109,328	96,593,434,741
- <i>Interest</i>	65,208,307,289	62,249,570,527
- <i>Income from other short term investment cooperation</i>	9,326,145,620	14,327,272,959
- <i>Income from cash advance of the stock services</i>	22,513,690,419	11,624,419,009
- <i>Others</i>	4,457,966,000	8,392,172,246
2. Deductions	-	-
3. Net revenue	207,350,609,633	208,669,756,466

18. OPERATING EXPENSES

	<i>Current year</i> VND	<i>Previous year</i> VND
Brokerage service expenses	41,133,476,267	40,107,157,135
Expenses of securities investment and other investment activities	51,942,196,551	28,700,873,785
Expenses of underwriting and issuance agency	77,291,272	5,154,547
Expenses of securities custody services	8,580,350,978	9,955,079,143
Expenses of investment advisory	6,976,809,066	8,492,327,812
Expenses of analysis activities	6,609,292,828	6,377,785,443
Reversal of provision for investment impairment	(45,883,859,552)	(4,416,309,285)
Other operating expenses	1,924,639,881	716,986,705
	71,360,197,291	89,939,055,285

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

19. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Current year</i> VND	<i>Previous year</i> VND
Administrative employee expenses	23,460,727,650	20,437,264,563
Tool and office expenses	1,219,360,553	1,107,455,779
Depreciation expenses	3,720,654,330	4,319,582,731
Expenses of external services	12,451,104,378	11,730,127,357
Other expenses	3,756,708,090	2,326,434,092
Provision expenses for doubtful debts	5,124,784,017	1,447,875,000
	49,733,339,018	41,368,739,522

20. STATUTORY OBLIGATIONS

20.1 Tax and other receivables from the State

This is the corporate income tax amount that the Company overpaid in 2008. This amount will net off with Tax Authority when the Company makes profit. (Please refer to note 20.3)

20.2 Statutory obligations

	<i>31 December 2013</i> VND	<i>31 December 2012</i> VND
Value added tax	88,010,877	25,375,012
Personal income tax	1,698,204,713	925,102,724
Other taxes	128,437,096	92,519,439
	1,914,652,686	1,042,997,175

The table presenting the statutory payable obligations of the Company for the year ended 31 December 2013 is as below:

No	Item	<i>As at 01</i> <i>January 2013</i> VND	<i>Payables</i> <i>in the year</i> VND	<i>Settled amount in</i> <i>the year</i> VND	<i>As at</i> <i>31 December</i> <i>2013</i> VND
1	Taxes	1,042,997,175	16,684,332,929	(15,812,677,418)	1,914,652,686
1	Value added tax	25,375,012	1,444,128,216	(1,381,492,351)	88,010,877
2	Corporate income tax	-	-	-	-
3	Other taxes	1,017,622,163	15,240,204,713	(14,431,185,067)	1,826,641,809
	<i>Personal Income</i>				
	<i>Tax of employees</i>	676,519,818	3,721,284,842	(3,838,569,360)	559,235,300
	<i>Personal Income</i>				
	<i>Tax of investors</i>	248,582,906	9,562,944,642	(8,672,558,135)	1,138,969,413
	<i>Other taxes</i>	92,519,439	1,955,975,229	(1,920,057,572)	128,437,096
		1,042,997,175	16,684,332,929	(15,812,677,418)	1,914,652,686

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

20. STATUTORY OBLIGATIONS (continued)

20.2 Statutory obligations (continued)

Value added tax

Deduction method is applied to the Company in calculating value added tax ("VAT"). The operating activities in securities dealings which are exempted from VAT include:

- ▶ Securities brokerage;
- ▶ Self-trading securities;
- ▶ Underwriting and issuance agency;
- ▶ Securities Investment advisory; and
- ▶ Custodian services.

20.3 Corporate income tax

The Company has the obligation to pay Corporate Income Tax ("CIT") at the rate of 25% of taxable profits.

The tax returns filed by the Company are subject to examination by the tax authorities. Because the application of tax laws and regulations 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.

Current corporate income tax

The current tax payable is based on taxable profit for the reporting year. Taxable profit differs from the profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

	<i>Current year</i> VND	<i>Previous year</i> VND
Profit before tax	85,817,719,866	77,318,185,142
Adjustments to increase/(decrease) accounting profit	39,540,626,082	(7,238,108,740)
- Income from CIT exempted activities – Dividend	(4,970,823,542)	(7,360,346,986)
- Other increase	44,511,449,624	122,238,246
Adjusted loss before loss carry forward and tax	125,358,345,948	70,080,076,402
Tax loss carried forward	(125,358,345,948)	(70,080,076,402)
Estimated current taxable profit	-	-
Income tax expense for the year	-	-
CIT prepayment at beginning of the year	(2,668,258,877)	(2,668,258,877)
CIT paid during the year	-	-
Supplementation from previous year	(604,984,425)	-
CIT prepayment at the end of the year	(3,273,243,302)	(2,668,258,877)

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

20. STATUTORY OBLIGATIONS (continued)

20.3 Current corporate income tax (continued)

Tax loss carried forward

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 was incurred. At the balance sheet date, the Company has accumulated tax losses of VND 199,869,005,049 available for offset against future taxable profits, the accumulated tax losses amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities. Details are as follows:

Originating year	Can be utilized up to	Taxable loss VND	Utilized up to 31 Dec 2013 (*) VND	Unutilized at 31 Dec 2013 VND
				(50,596,048,147)
2008	2013	(473,415,585,611)	422,819,537,464	(**)
2010	2015	(101,013,048,539)	-	(101,013,048,539)
2011	2016	(98,855,956,510)	-	(98,855,956,510)
		(673,284,590,660)	422,819,537,464	(250,465,053,196)

(*) The Company temporarily offset profit during the year with accumulated loss transferred. The offset will be done according to profit or loss of the financial year and finalized by tax authority.

(**) This amount will not be utilized for future offset as it is expired by 2013.

Deferred tax

Deferred tax assets arising from the accumulated losses have not been recognized in respect of the temporary difference items due to uncertainty of future taxable profits.

21. TRANSACTIONS WITH RELATED PARTIES

Related party transactions include all transactions undertaken with other entities to which the Company is related. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. A party is deemed a related party to the Company if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
 - ▶ controls, is controlled by, or is under common control with, the Company (this includes parents and subsidiaries);
 - ▶ has an interest in the Company that gives it significant influence over the Company;
 - ▶ has joint control over the Company;
- (b) The party is a joint venture, associate in which the Company is a venturer, associate;
- (c) The party is a member of the key management personnel of the Company or its parent;
- (d) The party is a close member of the family of any individual referred to in (a) or (c);
- (e) The party is a company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such the Company resides with, directly or indirectly, any individual referred to in (c) or (d).

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

21. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amount VND</i>
Bao Viet Holdings	Parent company	Office rental IT expense	(11,397,776,878) (1,468,350,834)
Bao Viet General Insurance	Subsidiary of Bao Viet Holdings	Healthcare insurance fees	(592,252,866)
Bao Viet Life	Subsidiary of Bao Viet Holdings	Office rental Share trading fees	(2,769,229,877) 4,252,384,878
Bao Viet Invest	Subsidiary of Bao Viet Holdings	Consulting fees	(658,324,251)
Bao Viet Fund Management	Subsidiary of Bao Viet Holdings	Office rental	(2,497,651,937)

Terms and conditions of transactions with related parties

The Company renders services to related parties at the Company's usual list prices. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash, for the year end 31 December 2013, the Company has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Amounts due to/from related companies at the balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Descriptions</i>	<i>Receivables /(Payables) VND</i>
Bao Viet Holding	Parent Company	Office rental Custody fees IT expenses	(4,410,183,738) 180,715,325 (2,353,307,177)
Bao Viet Life	Subsidiary of Bao Viet Holdings	Custody fees	25,700,798
Bao Viet General Insurance	Subsidiary of Bao Viet Holdings	Healthcare insurance	(286,931,826)
Bao Viet Invest	Subsidiary of Bao Viet Holdings	Office rental	(1,251,758,508)
Bao Viet Fund Management	Subsidiary of Bao Viet Holdings	Custody fee	137,010,072

Remuneration to members of Board of Management and Board of Directors

	<i>Current year VND</i>	<i>Previous year VND</i>
Salary and bonus for Board of Management	3,076,935,222	2,435,534,645
Salary and bonus for Board of Directors and Board of Advisers	369,000,000	-
	3,445,935,222	2,435,534,645

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

22. EARNINGS PER SHARE

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

The company has not computed or presented diluted earnings per share because there is no dilutive potential shares.

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

	<i>Current year</i> VND	<i>Previous year</i> VND
Net profit after tax	85,817,719,866	77,318,185,142
Profit for appropriation to ordinary shareholders	85,817,719,866	77,318,185,142
Average number of ordinary shares in circulation during the year	72,218,787	72,218,737
Basic earnings per share	1,188	1,071

23. OTHER INFORMATION

23.1 Operating lease commitments

	<i>31 December 2013</i> VND	<i>31 December 2012</i> VND
Payable for due operating lease:		
Less than one year	16,739,603,033	19,966,489,923
From one to five years	4,054,416,958	19,911,150,445
More than five years	-	-
Total minimum lease payment under operating lease contracts	20,794,019,991	39,877,640,368

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

23. OTHER INFORMATION (continued)

23.2 Other commitments to sell/re-purchase securities under repo contracts:

As at 31 December 2013, the Company has commitment to sell/re-purchase securities as follows:

Securities	Date of commitment	Date of re-purchase	Quantity	Selling value VND	Committed re-purchasing value VND
Bonds					
TD1114053	27/12/13	27/03/14	500.000	53,359,500,000	54,122,613,945
TD1318024	30/12/13	27/03/14	200.000	20,970,000,000	21,265,000,000
BID10306	25/11/13	25/02/14	500.000	49,700,000,000	50,439,000,000
BID1_206	31/12/13	25/03/14	700.000	68,373,900,000	69,302,100,000
				192,403,400,000	195,128,713,945

As at 31 December 2013, the Company has commitment to re-purchase/sell securities as follows:

Securities	Date of commitment	Date of selling	Quantity	Re-purchasing value VND	Committed selling value VND
Bonds					
Corporate bonds	12/27/2013	3/27/2014	700,000	50,000,300,000	50,986,600,000
				50,000,300,000	50,986,600,000

23.3 Other commitments

Guarantee payment

In its normal business, the Company has co-operated with other commercial banks in lending investors to purchase trading securities. In accordance with cooperation contracts, the investors used the loans to pay for securities bought on the stock exchanges. At the same time, the Company manages the investors' collateral assets including their cash at bank and investment portfolios in their accounts maintained at the Company. The Company is entitled to a management fee for this service. In case the investors cannot fulfill their repayment obligations, banks reserve their right to ask the Company to make payments on behalf of its investors.

Details of the loans to investors of which the Company has been managing collaterals and have committed to make payments on their behalf in case of default as at 31 December 2013 are as follow:

	31 December 2013 VND
Military Bank Vietnam	111,790,408,519
Total	111,790,408,519

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The purpose of Risk Management System (Risk Management) of BVSC is to minimize the risk events as well as to facilitate BVSC to achieve stable, safe and efficient business goals and profits.

BVSC has established the Risk Management Council (RMC) to provide the framework and implementation of risk management, to advise and resume the responsibility to General Director for Risk Management activities at BVSC.

Risk Management activities are implemented consistently from Board of Directors (BOD), Board of Management, Head of Departments to all employees. In May 2013, a member of BOD has been appointed to: Periodically review risk management policies, risk limit; Timely resolve the limitations of risk management activities based on General Director's reports; Review and assess the efficiency and effectiveness of Risk management function at BVSC.

The Company also issued Risk Management Regulations for the purpose of providing guidance for internal risk management at BVSC.

BVSC has also established ALCO Council to advise the Board of Directors in the management of Assets and Liabilities of the company. ALCO Council is established and operated annually from 2011.

The priority aim of BVSC is to maintain adequate funds to support business development and ensure the requirement of payment according to the regulation. BVSC always considers and reviews the allocation of contributed capital towards the shareholders as well as maintain the balances carefully. BVSC continually met the full requirement of funding in the year 2013.

Risk Management activities are reviewed periodically to reflect timely the volatility of the market and company's business activities in general as well as the risks affecting financial instruments in particular.

The Company is exposed to 3 types of risk: market risk, credit risk and liquidity risk in its normal operation.

Management reviews and agrees policies for managing each of these risks which are summarized below.

24.1 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. BVSC is subject to two types of risk: interest rate risk and price risk of financial instruments. The Company is not exposed to foreign currency risk as the Company does not hold foreign currency as at 31 December 2013. Financial instruments affected by market risk include loans and borrowings, deposits and available-for-sale investments and loans & receivables 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 financial instruments of BVSC which are exposed to interest rate risk are term deposit, bonds, loans & borrowings, repo transactions and margin activities. Interest rate risk of bond investments is assessed low as the bonds held by the Company are fixed coupon rate. Interest rate risk of term deposit is assessed below average as the downward tendency of interest rate risk has a direct impact on interest income. However, Board of Management believe this risk is acceptable, considering the balance between the liquidity, gain from term deposit and the readiness for investment opportunities in the stock market.

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.

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.1 Market risk (continued)

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 placing a limit on equity investments. The Company's Board of Directors reviews and approves all equity investment decisions in accordance with investment policy No.60/2010/QD-HDQT issued on 16 December 2010.

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. Unlisted portfolio tends to decrease if the stock market suffers from a downturn. Therefore, if the share price decreases sharply, both listed & unlisted portfolio with the positive correlation lead to higher risk, which directly affects the business performance expressed through making provision.

With the purpose of reducing the impact of market risk, in particular of the share price's risk on the company's business performance, in certain of recent years, BVSC tends to restructure the portfolio by selling unprofitable shares. As at 31 December 2013, the percentage of listed and unlisted is 20.24% of the Company's Owners Equity (based on fair value).

Scenario analysis is used to assess the impact of market volatility on P/L by building different scenario. The analysis as below shows the impact of listed portfolio volatility on P/L when stock exchange index move +/-10%.

	<u>Change in variables</u>	<u>Impact on profit before tax VND</u>
31 December 2013		
Scenario 1	+10%	3,528,428,080
Scenario 2	-10%	(6,809,952,220)
31 December 2012		
Scenario 1	+10%	23,153,113,413
Scenario 2	-10%	(23,658,557,363)

Stocks volatility risks of transactions traded on margin

The stocks market high volatility may cause the total value of collateral assets to be lower than total debt. This makes BVSC suffer the liquidity risks from clients and investors.

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 Credit risk

Credit risk is the risk that counterparty will not make payment nor transfer assets on time as commitments. 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.

Bank deposits

For the purpose of credit risk management, BVSC has term deposits only in banks which have the credit ratings in group 1 and 2 according to the internal assessment of Bao Viet Holdings. In addition, BVSC also complies with credit limit for each bank regulated by the Holdings to avoid concentration risk. In fact, BVSC does not suffer from any late payment or renewal contracts. The Company evaluates the concentration of credit risk in respect to bank deposit is as low.

Bonds

BVSC owns government bonds and corporate bonds in the principle of compliance with the investment limits regulated by the Board of Directors. Every investment decision is made in accordance with the Company's investment procedure, in which the credit ratings and the solvency of issuer are assessed in detail with due care. The Company is exposed to risk when the issuer has difficulties in making interest and principal payment and when the Company has to handle collaterals (if any) when the issuer is in solvency situation. Government bonds are less risky than corporate bonds as these bonds are guaranteed by the Government.

Margin transactions

This new service is conducted from April 2012 and is also subject to credit risk. The Company constructs policy of assessing credit rating and classifying investors to manage this type of risk. This policy is conducted by analyzing and assessing investors' history of transaction value, the information of credit ratings and their compliance with the Company's policy while conducting transactions with the Company as well as in other securities companies (if any). All investors must be assessed before signing the margin contracts. In addition, the Company regularly maintains the assessment to ensure the information is updated and credit risks for these transactions are minimized.

Besides, the Company also holds a large number of investors' shares as collaterals in providing margin service. In order to manage such collaterals as well as hedging against double risk arising from the volatility in market price and concentration risk from various investors, the Company has set up policy on the management of the allowed collaterals as well as the limit on each security accepted as collateral. These portfolios are built from the analysis and assessment such factors as: volatility in share price, the liquidation of each share in a month, etc. Such portfolios are complied with Decision No.637/2011/QĐ-UBCK dated 30 August 2011 issued by the State Security Committee.

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 Credit risk (continued)

Credit risk for this transaction is also managed by building a set of collateral ratios and conditions for handling collaterals in order to recover the money in case the investors' credit ratings decreased or the investors fail to provide additional collaterals or repay the loans at maturity.

With consistent risk management policy, these margin transactions are assessed as average credit risk.

Except for the financial assets for which provision have been made as disclosed in Note 6 and Note 7, details on credit quality by classes of assets for all financial assets exposed to credit risk as at 31 December 2013 are as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		less than 3 months	3 – 6 months	6 – 12 months	over 1 year	
31 December 2013						
Fix maturity investments	573,005,841,379	-	-	-	-	573,005,841,379
Available-for-sale - Debt securities	73,146,901,371	-	-	-	-	73,146,901,371
Loans and receivables - Debt securities	209,966,525,778	-	-	-	-	209,966,525,778
Loans and receivables - Term deposit contracts	289,892,414,230	-	-	-	-	289,892,414,230
Other financial assets	416,607,263,467	-	-	-	-	416,607,263,467
Dividend receivables	62,660,100	-	-	-	-	62,660,100
Trade receivables	359,809,340,946	-	-	-	-	359,809,340,946
Other receivables	56,735,262,421	-	-	-	-	56,735,262,421
Cash and cash equivalents	534,918,374,257	-	-	-	-	534,918,374,257
TOTAL	1,524,531,479,103	-	-	-	-	1,524,531,479,103

Currency: VND

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.2 Credit risk (continued)

Details on credit quality by classes of assets for all financial assets exposed to credit risk as at 31 December 2012 are as follows:

Currency: VND

	Neither past due nor impaired	Past due but not impaired			Total
		less than 3 months	3 – 6 months	6 – 12 months over 1 year	
31 December 2012					
Fix maturity investments	455,563,999,739	-	-	-	455,563,999,739
Available-for-sale - Debt securities	52,142,102,739	-	-	-	52,142,102,739
Loans and receivables - Debt securities	243,300,980,828	-	-	-	243,300,980,828
Loans and receivables - Term deposit contracts	160,120,916,172	-	-	-	160,120,916,172
Other financial assets	194,544,783,891	-	3,860,018,929	-	198,404,802,820
Dividend receivables	766,180,807	-	-	-	766,180,807
Trade receivables	191,645,255,493	-	-	-	191,645,255,493
Other receivables	2,133,347,591	-	3,860,018,929	-	5,993,366,520
Cash and cash equivalents	601,673,676,744	-	-	-	601,673,676,744
TOTAL	1,251,782,460,374	-	3,860,018,929	-	1,255,642,479,303

Neither past due or impaired: financial assets or the loans with interest or principal payments not yet past due and there is no evidence of impairment.

Past due but not impaired: financial assets with past due interest and principal payments but the Company believes that these asset are not impaired as they are secured by collaterals and has confidence in the customer's credit worthiness and other credit enhancements.

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.3 Liquidity risk (continued)

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to the shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities. The Company monitors its liquidity risk by maintain a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2013 based on contractual undiscounted payments:

	On demand	Up to 1 year	01-03 years	03-05 years	05-15 years	Over 15 years	Total
<i>Unit: million VND</i>							
31 December 2013							
FINANCIAL ASSETS							
Fix maturity investments							
Available-for-sale - Debt securities	-	490,811	46,626	64,165	-	-	601,602
Loans and receivables - Debt securities	-	57,820	3,360	23,360	-	-	84,540
Loans and receivables - Term deposit contracts	-	131,075	43,266	40,805	-	-	215,146
Equity investments							
Available-for-sale	234,705	-	-	-	-	-	234,705
Fair value through profit and loss	81,431	-	-	-	-	-	81,431
Other financial assets	153,273	-	-	-	-	-	153,273
Dividend receivables	-	416,607	-	-	-	-	416,607
Trade receivables	-	63	-	-	-	-	63
Other receivables	-	359,809	-	-	-	-	359,809
Cash and cash equivalents	-	56,735	-	-	-	-	56,735
TOTAL	234,705	1,442,336	46,626	64,165	-	-	1,787,832
FINANCIAL LIABILITIES							
Short term loans and borrowings	-	-	-	-	-	-	-
Payables from securities trading	-	331,976	-	-	-	-	331,976
Accrued expenses	-	854	-	-	-	-	854
Other payables	-	221,645	-	-	-	-	221,645
TOTAL	-	554,476	-	-	-	-	554,476

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

24.3 Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities as at 31 December 2012 based on contractual undiscounted payments:

	Unit: million VND					Total
	On demand	Up to 1 year	01-03 years	03-05 years	05-15 years	
31 December 2012						
FINANCIAL ASSETS						
Fix maturity investments		297,380	171,203	10,100	70,200	548,882
Available-for-sale - Debt securities	-	6,300	56,140	-	-	62,440
Loans and receivables - Debt securities	-	121,445	115,063	10,100	70,200	316,807
Loans and receivables - Term deposit contracts	-	169,636	-	-	-	169,636
Equity investments	246,161	-	-	-	-	246,161
Available-for-sale	140,263	-	-	-	-	140,263
Fair value through profit and loss	105,898	-	-	-	-	105,898
Other financial assets	-	198,405	-	-	-	198,405
Dividend receivables	-	766	-	-	-	766
Trade receivables	-	191,645	-	-	-	191,645
Other receivables	-	5,993	-	-	-	5,993
Cash and cash equivalents	-	601,678	-	-	-	601,678
TOTAL	246,161	1,097,463	171,203	10,100	70,200	1,595,126
FINANCIAL LIABILITIES						
Short term loans and borrowings	-	20,000	-	-	-	20,000
Payables from securities trading	-	248,541	-	-	-	248,541
Accrued expenses	-	1,067	-	-	-	1,067
Other payables	-	105,725	-	-	-	105,725
TOTAL	-	375,340	-	-	-	375,340

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

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

25. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") which is effective from financial years beginning on or after 1 January 2012. Circular 210 provides definitions of financial instruments which include financial assets and financial liabilities, derivative instruments, equity instruments as well as prescribes the classification, presentation and disclosures of these instruments.

As Circular 210 only prescribes the presentation of the financial statements and the disclosures of financial instruments, definitions of financial assets and financial liabilities and definitions of related items as disclosed as following are only applicable in this Note. The financial assets and liabilities of the Company are still recognized and accounted for in accordance with Vietnamese Accounting Standards and System and accounting policies applicable for securities companies in accordance with Circular No. 95/2008/TT-BTC dated 24 October 2008 and Circular No. 162/2010/TT-BTC providing amendment and addition to Circular No. 95/2008/TT-BTC dated 24 October 2008 on the accounting system applicable to the securities company effective from 01 January 2011.

Financial assets

The Company's financial assets within the scope of Circular 210/2009/TT-BTC comprise cash and cash equivalents, term deposits, long-term investment, held for trading securities, investment securities and receivables.

Financial assets in accordance with Circular 210/2009/TT-BTC are classified, for disclosures in the notes to the financial statements, as one of the belows:

Financial asset at fair value through profit or loss:

Financial asset at fair value through profit and 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 short-term;
 - ✓ there is evidence of a recent actual pattern of short-term profit-taking; or
 - ✓ it is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
- b) Upon initial recognition, it is designated by the entity as at fair value through profit or loss.

Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- a) those that the entity 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 meet the definition of loans and receivables.

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

25. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

Financial assets (continued)

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 entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- b) those that the entity 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 financial assets

Available-for-sale financial assets are those 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, or
- c) financial assets at fair value through profit or loss.

Financial liabilities

According to the Circular No 210/2009/TT-BTC, financial liabilities of the Company includes borrowings, trade payables and other payables.

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the consolidated financial statements, are classified into either of the followings:

Financial liability at fair value through profit or loss:

Financial liability at fair value through profit and 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 short-term;
 - ✓ there is evidence of a recent actual pattern of short-term profit-taking; or
 - ✓ it is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument)
- b) Upon initial recognition, it is designated by the entity as at fair value through profit or loss.

Financial liabilities at amortized cost

Financial liabilities that are not classified as at fair value through profit or loss are classified as at amortized cost.

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

25. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements as at 31 December 2013.

	Book value VND	Provision for impairment VND	Total VND	Fair value VND
31 December 2013				
FINANCIAL ASSETS				
Fixed maturity investments	589,115,520,741	(16,109,679,362)	573,005,841,379	573,339,540,018
Available for sale – Debt securities	73,146,901,371	-	73,146,901,371	74,618,968,782
Loans and receivables – Debt securities	226,076,205,140	(16,109,679,362)	209,966,525,778	205,917,639,817
Loans and receivables – Term deposit contracts	289,892,414,230	-	289,892,414,230	292,802,931,420
Equity investments	358,405,054,844	(123,700,401,967)	234,704,652,877	246,193,222,691
Available for sale	169,756,064,220	(88,324,732,017)	81,431,332,203	81,431,840,703
Fair value through profit and loss	188,648,990,624	(35,375,669,950)	153,273,320,674	164,761,381,988
Other financial assets	453,044,729,410	(36,437,465,943)	416,607,263,467	416,607,263,467
Dividend receivables	62,660,100	-	62,660,100	62,660,100
Trade receivables	359,809,340,946	-	359,809,340,946	359,809,340,946
Other receivables	93,172,728,364	(36,437,465,943)	56,735,262,421	56,735,262,421
Cash and cash equivalents	534,918,374,257	-	534,918,374,257	534,918,374,257
TOTAL	1,935,483,679,252	(176,247,547,272)	1,759,236,131,980	1,771,058,400,433
FINANCIAL LIABILITIES				
Short term loans and borrowings	-	-	-	-
Payables from securities trading	331,975,838,414	-	331,975,838,414	331,975,838,414
Accrued expenses	854,431,819	-	854,431,819	854,431,819
Other payables	221,645,471,538	-	221,645,471,538	221,645,471,538
TOTAL	554,475,741,771	-	554,475,741,771	554,475,741,771

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

25. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements as at 31 December 2012:

	Book value VND	Provision for impairment VND	Total VND	Fair value VND
31 December 2012				
FINANCIAL ASSETS				
Fixed maturity investments	452,881,416,893	-	452,881,416,893	457,495,083,312
Available for sale – Debt securities	52,142,102,739	-	52,142,102,739	55,287,396,851
Loans and receivables – Debt securities	243,300,980,828	-	243,300,980,828	242,076,770,290
Loans and receivables – Term deposit contracts	157,438,333,326	-	157,438,333,326	160,120,916,172
Equity investments	431,688,843,359	(185,527,964,842)	246,160,878,517	249,738,248,926
Available for sale	250,248,999,485	(109,986,301,924)	140,262,697,561	143,584,802,542
Fair value through profit and loss	181,439,843,874	(75,541,662,918)	105,898,180,956	106,153,446,384
Other financial assets	230,283,460,785	(31,878,657,965)	198,404,802,820	198,404,802,820
Dividend receivables	766,180,807	-	766,180,807	766,180,807
Trade receivables	191,645,255,493	-	191,645,255,493	191,645,255,493
Other receivables	37,872,024,485	(31,878,657,965)	5,993,366,520	5,993,366,520
Cash and cash equivalents	601,678,202,187	-	601,678,202,187	601,678,202,187
TOTAL	1,716,531,923,224	(217,406,622,807)	1,499,125,300,417	1,507,316,337,245
FINANCIAL LIABILITIES				
<i>Financial liabilities designated at amortized cost</i>				
Short term loans and borrowings	20,000,000,000	-	20,000,000,000	20,000,000,000
Payables from securities trading	248,547,393,876	-	248,547,393,876	248,547,393,876
Accrued expenses	1,066,704,553	-	1,066,704,553	1,066,704,553
Other payables	105,725,414,516	-	105,725,414,516	105,725,414,516
TOTAL	375,339,512,945	-	375,339,512,945	375,339,512,945

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

25. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CIRCULAR 210 (continued)

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

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

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

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2013, the Company does not have long-term receivables/ borrowings.

Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value of available-for-sale financial assets is derived from quoted market prices in active markets, if available.

Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation.

Market information of financial assets and liabilities that can not be obtained as at the balance sheet date, cost is used.

26. EVENTS AFTER THE 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 financial statements.



Ms. Vu Thi Thuy Linh
Deputy Head of Financial
Accounting Department



Ms. Nguyen Hong Thuy
Head of Financial
Accounting Department



Mr. Nhu Dinh Hoa
Chief Executive Officer

Hanoi, Vietnam

28 March 2014