Saigon Securities Incorporation

Report of Management and
audited consolidated financial statements
in accordance with Vietnamese Accounting Standards

as at 31 December 2012
and for the financial year then ended

Saigon Securities Incorporation

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Saigon Securities Incorporation

GENERAL INFORMATION

THE COMPANY

Saigon Securities Incorporation Company ("the Company") is a joint stock company established under the Corporate Law of Vietnam and the Operation License No. 3041/GP-UB dated 27 December 1999 issued by the Ho Chi Minh City People's Committee and the first Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment. The Company then received the Securities Trading License No. 03/GPHDKD issued by the State Securities Commission on 05 April 2000 and subsequently amended licenses.

The primary businesses of the Company are brokerage service, securities trading, finance and investment advisory service, custodian service, and underwriting for securities issues.

The Company's shares were officially listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) from 15 December 2006. On 29 October 2007, the listing was switched to Ho Chi Minh Stock Exchange.

The Company's Head Office is located at 72 Nguyen Hue, District 1, Ho Chi Minh City. The Company also has branches based in Ho Chi Minh City, Hanoi, Vung Tau, Hai Phong, and Nha Trang.

BOARD OF DIRECTORS

Members of Board of Directors during the year ended 31 December 2012 and at the date of this report are:

Name	*Title*	*Election/ appointment/ dismiss date*
Mr. Nguyen Duy Hung	Chairman	Re-elected on 28 April 2010
Mr. Nguyen Hong Nam	Member	Re-elected on 24 April 2009
Mr. Ngo Van Diem	Member	Re-elected on 20 April 2012
Mr. Alistair Marshall Bulloch	Member	Approved by Shareholders' Meeting on 28 April 2011
Ms. Dam Bich Thuy	Member	Elected on 24 April 2009
Mr. Bui Quang Nghiem	Member	Elected on 24 April 2009
Mr. Masami Tada	Member	Elected on 20 April 2012
Mr. Yoshio Urata	Member	Appointed on 28 November 2011 Dismissed on 20 April 2012

BOARD OF SUPERVISION

Members of Board of Supervision during year ended 31 December 2012 and at the date of this report are:

Name	*Title*	*Election/ appointment/ dismiss date*
Mr. Nguyen Van Khai	Head of the Board of Supervision	Re-elected on 28 April 2011
Mr. Dang Phong Luu	Member	Re-elected on 28 April 2010
Ms. Ho Thi Huong Tra	Member	Re-elected on 20 April 2012

GENERAL INFORMATION (continued)

MANAGEMENT

Members of the Management during the year ended 31 December 2012 and at the date of this report are:

Name	*Title*	*Election/ appointment/ dismiss date*
Mr. Nguyen Duy Hung	Chief Executive Officer	Appointed on 5 March 2007
Mr. Nguyen Hong Nam	Deputy Chief Executive Officer	Re-appointed on 5 September 2003

LEGAL REPRESENTATIVE

The legal representative of the Company during the year ended 31 December 2012 and at the date of this report is Mr. Nguyen Duy Hung, Chairman of Board of Directors cum Chief Executive Officer.

AUDITORS

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

Saigon Securities Incorporation

REPORT OF MANAGEMENT

Management of Saigon Securities Incorporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2012.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Management is responsible for the consolidated financial statements which give a true and fair view of the consolidated state of affairs of the Company and its subsidiaries, of the consolidated results of their operations, the consolidated cash flows and the consolidated changes in owners' equity for the period. In preparing those consolidated financial statements, the Management is required to:

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

The Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and its subsidiaries 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.

The Management confirms that it has complied with the above requirements in preparing the accompanying consolidated financial statements for the fiscal year ended 31 December 2012.

STATEMENT BY MANAGEMENT

The Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2012, of the consolidated results of their operations, the consolidated cash flows and the consolidated changes in their owners' equity for the fiscal year then ended in accordance with the Vietnamese Accounting Standards and System, the accounting policies applicable to securities companies as prescribed in Circular No. 95/2008/TT-BTC dated 24 October 2008, Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by Ministry of Finance and comply with relevant statutory requirements.

For and on behalf of the Management:

CÔNG TY CỔ PHẦN CHỨNG KHOÁN SÀI GÒN

Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam

22 March 2013

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Reference: 60755007/15504493

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of
Saigon Securities Incorporation

We have audited the consolidated financial statements of Saigon Securities Incorporation ("the Company") and its subsidiaries as set out on pages 5 to 64 which comprise the consolidated balance sheet as at 31 December 2012, the consolidated income statement, the consolidated cash flows statement and the consolidated statement of changes in their owners' equity for the fiscal year then ended and the notes thereto.

The preparation and presentation of these consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain moderate assurance as to whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the consolidated financial statements, in all material respects, give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2012, and of the consolidated results of their operations, their consolidated cash flows and the consolidated changes in owners' equity for the fiscal year then ended in accordance with the Vietnamese Accounting Standards and System, the accounting policies applicable to securities companies as prescribed in Circular No. 95/2008/TT-BTC dated 24 October 2008, Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by Ministry of Finance and comply with relevant statutory requirements.

Ernst & Young Vietnam Limited

Vo Tan Hoang Van
Deputy General Director
Certificate No: 0264/KTV

Nguyen Phuong Nga
Auditor
Certificate No: 0763/KTV

Hanoi, Vietnam

22 March 2013

CONSOLIDATED BALANCE SHEET
as at 31 December 2012

Currency: VND

Code	ASSETS	Note	31 December 2012	31 December 2011 Restated (*)
100	**A. CURRENT ASSETS**		**4,837,002,006,608**	**3,223,900,965,471**
110	***I. Cash and cash equivalents***	***4***	***1,947,090,450,986***	***1,945,764,811,547***
111	1. Cash in hand		806,860,450,986	730,095,592,831
112	2. Cash equivalents		1,140,230,000,000	1,215,669,218,716
120	***II. Short-term financial investments***		***2,097,809,872,532***	***869,367,192,516***
121	1. Short-term investments	6.1	2,292,163,797,759	1,053,037,748,335
122	2. Short-term investments of trustees	7	-	119,452,989,696
129	3. Provision for short-term investments	6.3	(194,353,925,227)	(303,123,545,515)
130	***III. Short-term receivables***		***784,596,795,412***	***397,623,486,933***
131	1. Receivables from customers	8	500,024,123,162	291,054,053,897
132	2. Advances to suppliers	8	4,092,973,299	2,223,755,828
135	3. Receivables from securities trading activities	8	7,317,649,764	677,728
138	4. Other receivables	8	339,346,884,820	122,281,746,055
139	5. Provision for doubtful receivables	9	(66,184,835,633)	(17,936,746,575)
150	***IV. Other current assets***	***10***	***7,504,887,678***	***11,145,474,475***
151	1. Prepaid expenses		5,092,189,783	5,334,439,840
152	2. Value-added tax deductible		119,318,128	85,921,890
154	3. Tax and statutory obligations		464,966,248	3,347,725,304
158	4. Other current assets		1,828,413,519	2,377,387,441
200	**B. NON-CURRENT ASSETS**		**3,143,873,895,267**	**3,283,612,233,383**
220	***I. Fixed assets***		***145,252,092,780***	***165,128,640,442***
221	1. Tangible fixed assets	11	24,094,347,697	35,668,894,339
222	*Cost*		*96,015,355,706*	*97,855,281,879*
223	*Accumulated depreciation*		*(71,921,008,009)*	*(62,186,387,540)*
227	2. Intangible fixed assets	12	121,157,745,083	128,541,196,863
228	*Cost*		*156,277,513,279*	*154,196,831,839*
229	*Accumulated amortization*		*(35,119,768,196)*	*(25,655,634,976)*
230	3. Construction in progress		-	918,549,240
240	***II. Investment properties***	***13***	***269,347,115,777***	***275,387,155,603***
241	1. Cost		283,612,736,520	282,497,013,600
242	2. Accumulated depreciation		(14,265,620,743)	(7,109,857,997)
250	***III. Long-term financial investments***		***2,646,569,834,634***	***2,795,408,637,136***
251	1. Investments in subsidiaries		-	-
252	2. Investments in associates and joint-ventures	14	1,216,460,435,248	1,084,449,892,080
253	3. Long-term securities investments	6.2	1,056,730,351,972	1,128,856,979,464
254	*Available-for-sale securities*		*1,056,730,351,972*	*1,128,856,979,464*
255	*Held-to-maturity securities*		-	-
258	4. Other long-term investments	6.2	548,616,990,000	749,788,390,000
259	5. Provision for long-term investments	6.3	(175,237,942,586)	(167,686,624,408)
260	***IV. Other long-term fixed assets***		***82,704,852,076***	***47,687,800,202***
261	1. Long-term prepaid expenses	15	8,861,760,393	20,282,431,210
262	2. Deferred income tax asset	31.2	52,687,916,677	8,330,545,610
263	3. Payment for Settlement Assistance Fund	16	14,982,911,796	12,889,932,650
268	4. Other long-term assets		6,172,263,210	6,184,890,732
269	**C. GOODWILL**	**14**	-	-
270	**TOTAL ASSETS**		**7,980,875,901,875**	**6,507,513,198,854**

(*) The restatement involves the integration of Goodwill to Investments in associates and joint-ventures in the consolidated balance sheet. Refer to Note 14 for more details.

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2012

Currency: VND

Code	RESOURCES	Note	31 December 2012	31 December 2011
300	**A. LIABILITIES**		**2,705,603,684,581**	**1,350,341,790,438**
310	***I. Current liabilities***		***2,677,707,415,060***	***1,180,434,253,286***
311	1. Short-term borrowings	17	357,728,021,077	-
312	2. Payables to suppliers		10,237,833,415	2,844,837,415
313	3. Advances from customers	18	99,049,773,750	73,489,828,832
314	4. Statutory obligations	19	18,718,850,445	5,642,394,016
315	5. Payables to employees		53,077,997	19,057,374
316	6. Accrued expenses	20	9,183,790,553	6,182,323,553
319	7. Other short-term payables	21	1,189,788,103,107	416,679,318,364
320	8. Payables to securities trading activities	22	911,725,652,287	577,727,624,842
321	9. Dividend and interest payables	23	4,474,923,850	6,476,918,423
322	10. Payables to securities issuers		605,427,160	605,427,160
323	11. Bonus and welfare fund	24	75,065,576,088	90,064,800,637
328	12. Short-term unearned revenue		1,076,385,332	701,722,670
330	***II. Non-current liabilities***		***27,896,269,521***	***169,907,537,152***
333	1. Other long-term payables		743,715,145	577,091,185
334	2. Long-term loans and debts		-	-
335	3. Deferred income tax liability	31.2	27,152,554,376	43,592,871,995
336	4. Provisions for termination allowance		-	3,233,478,696
341	5. Funds received from trust investors	25	-	122,504,095,276
400	**B. OWNERS' EQUITY**	**26**	**5,191,573,047,865**	**5,080,665,298,616**
410	***I. Owners' equity***		***5,191,573,047,865***	***5,080,665,298,616***
411	1. Chartered capital		3,526,117,420,000	3,526,117,420,000
412	2. Share premium		340,921,476,378	340,921,476,378
413	3. Other owners' capital		(2,605,677,770)	383,614,879
414	4. Treasury shares		(89,246,186,000)	(88,591,286,000)
418	5. Financial and statutory reserves		289,383,181,436	289,383,181,436
420	6. Undistributed earnings		1,127,002,833,821	1,012,450,891,924
500	**C. NON-CONTROLLING INTERESTS**	**32**	**83,699,169,429**	**76,506,109,799**
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**7,980,875,901,875**	**6,507,513,198,854**

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2012

OFF-BALANCE SHEET ITEMS

Currency: VND

Code	ITEMS	31 December 2012	31 December 2011
001	**1. Leased fixed assets**	-	-
002	**2. Pledged materials and valuable papers**	-	-
003	**3. Security assets**	-	-
004	**4. Bad debts written off**	-	-
005	**5. Foreign currencies**	-	-
006	**6. Custody securities**	**13,269,603,970,000**	**12,020,499,450,000**
	In which		
007	***6.1. Tradable securities***	***11,763,352,280,000***	***10,468,549,880,000***
008	6.1.1. Tradable securities of custody members	1,271,769,300,000	442,902,530,000
009	6.1.2. Tradable securities of local investors	8,854,342,330,000	8,440,746,120,000
010	6.1.3. Tradable securities of foreign investors	1,637,240,650,000	1,584,901,230,000
011	6.1.4. Tradable securities of other entities	-	-
012	***6.2. Temporarily untradeable securities***	***179,044,560,000***	***427,008,780,000***
013	6.2.1. Temporarily untradeable securities of custody members	300,000,000	1,000,000,000
014	6.2.2. Temporarily untradeable securities of local investors	173,199,560,000	420,463,780,000
015	6.2.3. Temporarily untradeable securities of foreign investors	5,545,000,000	5,545,000,000
016	6.2.4. Temporarily untradeable securities of other entities	-	-
017	***6.3. Mortgaged securities***	***646,344,340,000***	***947,988,450,000***
018	6.3.1. Mortgaged securities of custody members	-	-
019	6.3.2. Mortgaged securities of local investors	646,344,340,000	947,988,450,000
020	6.3.3. Mortgaged securities of foreign investors	-	-
021	6.3.4. Mortgaged securities of other entities	-	-
022	***6.4. Suspended securities***	-	-
027	***6.5. Securities awaiting for settlement***	***169,698,350,000***	***168,833,120,000***
028	6.5.1. Securities awaiting for settlement of custody members	-	401,000,000
029	6.5.2. Securities awaiting for settlement of local investors	164,999,950,000	167,869,720,000
030	6.5.3. Securities awaiting for settlement of foreign investors	4,698,400,000	562,400,000
031	6.5.4. Securities awaiting for settlement of other entities	-	-
032	***6.6 Isolated securities awaiting for withdrawal***	-	-
037	***6.7. Securities awaiting for trading***	***511,164,440,000***	***8,119,220,000***
038	6.7.1. Securities awaiting for trading of custody members	-	-
039	6.7.2. Securities awaiting for trading of local investors	506,797,630,000	3,962,860,000
040	6.7.3. Securities awaiting for trading of foreign investors	4,366,810,000	4,156,360,000
041	6.7.4. Securities awaiting for trading of other entities	-	-
042	***6.8. Securities collateralized for borrowings***	-	-
047	***6.9. Securities used to correct trading errors***	-	-

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2012

OFF-BALANCE SHEET ITEMS (continued)

Currency: VND

Code	ITEMS	31 December 2012	31 December 2011
050	**7. Custody securities of unlisted public company**	**839,705,300,000**	**303,065,520,000**
	In which:		
051	***7.1. Tradable securities***	***794,415,700,000***	***302,130,730,000***
052	7.1.1. Tradable securities of custody members	9,482,930,000	31,250,000
053	7.1.2. Tradable securities of local investors	757,037,570,000	291,003,630,000
054	7.1.3. Tradable securities of foreign investors	27,895,200,000	11,095,850,000
055	7.1.4. Tradable securities of other entities	-	-
056	***7.2. Temporarily untradeable securities***	***7,995,000,000***	***405,190,000***
057	7.2.1. Temporarily untradeable securities of custody members	1,000,000,000	-
058	7.2.2. Temporarily untradeable securities of local investors	6,995,000,000	405,190,000
059	7.2.3. Temporarily untradeable securities of foreign investors	-	-
060	7.2.4. Temporarily untradeable securities of other entities	-	-
061	***7.3. Collateral securities***	***32,580,440,000***	***309,600,000***
066	***7.4. Temporarily held securities***	-	-
071	***7.5. Securities awaiting for settlement***	***4,714,160,000***	***220,000,000***
072	7.5.1. Securities awaiting for settlement of custody members	-	-
073	7.5.2. Securities awaiting for settlement of local investors	4,714,160,000	220,000,000
074	7.5.3. Securities awaiting for settlement of foreign investors	-	-
075	7.5.4. Securities awaiting for settlement of other entities	-	-
076	***7.6. Isolated securities awaiting for withdrawal***	-	-
081	***7.7. Securities used to adjust trading errors***	-	-
082	**8. Securities not in custody of investors**	-	-
083	**9. Securities not in custody of securities corporations**	-	-
084	**10. Trusted securities used for auction**	-	-
	TOTAL OFF-BALANCE SHEET ITEMS	**14,109,309,270,000**	**12,323,564,970,000**

Preparer	*Approver*	*Approver*
Ms. Hoang Thi Minh Thuy	Ms. Nguyen Thi Thanh Ha	Mr. Nguyen Duy Hung
Chief Accountant	Chief Financial Officer	Chief Executive Officer

Ho Chi Minh City, Vietnam

22 March 2013

CONSOLIDATED INCOME STATEMENT
for the fiscal year ended 31 December 2012

Currency: VND

Code	ITEMS	Note	Current year	Previous year
01	**1. Revenue**	**27**	**849,294,221,184**	**848,048,772,890**
	In which:			
01.1	- Revenue from brokerage services		105,807,913,215	96,005,005,216
01.2	- Revenue from securities investments and capital contribution		276,558,485,135	227,702,451,908
01.3	- Revenue from securities underwriting services		-	6,420,000,000
01.4	- Revenue from securities underwriting agency		29,061,000	-
	- Revenue from investment portfolio management services for entrust investors		15,519,110,635	18,328,050,969
01.5	- Revenue from advisory services		79,784,442,039	38,076,296,310
01.6	- Revenue from securities custody services		5,191,757,059	2,487,230,802
01.8	- Revenue from property lease		12,559,455,663	4,478,427,405
01.9	- Other revenue		353,843,996,437	454,551,310,280
02	**2. Deductions**	**27**	-	**(5,850,000)**
10	**3. Net revenue**	**27**	**849,294,221,184**	**848,042,922,890**
11	**4. Operating expenses**	**28**	**(454,524,349,042)**	**(656,773,739,348)**
	In which:			
	- Direct operating expenses		(515,275,929,215)	(487,752,186,918)
	- Expenses/ (reversion) of securities provision		60,751,580,173	(169,021,552,430)
20	**5. Gross profit/(loss) from operating activities**		**394,769,872,142**	**191,269,183,542**
25	**6. General and administrative expenses**	**29**	**(17,991,632,074)**	**(27,938,858,746)**
30	**7. Net profit/(loss) from operating activities**		**376,778,240,068**	**163,330,324,796**
31	8. Other incomes	30	5,079,281,085	553,902,871
32	9. Other expenses	30	(658,800,233)	(680,706,469)
40	**10. Other profit/(loss)**	**30**	**4,420,480,852**	**(126,803,598)**
41	**11. Share of profit/(loss) in associates**	**14**	**106,059,910,285**	**(36,599,141,321)**
50	**12. Profit/(loss) before tax**		**487,258,631,205**	**126,604,379,877**
51	**13. Current corporate income tax expense**	**31.1**	**(82,563,882,162)**	**(3,937,863,518)**
52	**14. Deferred corporate income tax (expense)/income**	**31.2**	**60,797,688,748**	**(39,913,280,804)**
60	**15. Profit/(loss) after tax**		**465,492,437,791**	**82,753,235,555**
61	**16. Non-controlling interests**	**32**	**1,193,059,630**	**3,624,222,810**
62	**17. Profit/(loss) after tax attributable to equity holders of the parent**		**464,299,378,161**	**79,129,012,745**
70	**18. Basic earnings per share**	**34**	**1,328**	**227**

Preparer	*Approver*	*Approver*
Ms. Hoang Thi Minh Thuy	Ms. Nguyen Thi Thanh Ha	Mr. Nguyen Duy Hung
Chief Accountant	Chief Financial Officer	Chief Executive Officer

Ho Chi Minh City, Vietnam

22 March 2013

CONSOLIDATED CASH FLOW STATEMENT
for the fiscal year ended 31 December 2012

Currency: VND

Code	ITEMS	Note	Current year	Previous year
	I. CASH FLOW FROM OPERATING ACTIVITIES			
01	***1. Total accounting profit/(loss) before tax***		***487,258,631,205***	***126,604,379,877***
	2. Adjustments for		***(186,276,678,368)***	***177,342,019,957***
02	Depreciation of fixed assets		31,480,522,455	31,684,925,138
03	Provisions		(52,970,213,048)	186,958,299,005
04	Unrealized foreign exchange gain/(loss)		-	(94,937,598)
05	Gain/(loss) from investing activities		(180,262,164,937)	(59,784,044,364)
06	Interest expenses		15,475,177,162	18,577,777,776
08	***3. Operating income before changes in working capital***		***300,981,952,837***	***303,946,399,834***
09	(Increase)/decrease in receivables		(643,562,725,297)	390,332,648,163
10	(Increase)/decrease in trading securities		(1,126,606,349,530)	1,036,658,022,705
11	Increase/(decrease) in payables (exclusive of interest payables, corporate income tax payable)		993,114,171,579	(36,359,436,956)
12	(Increase)/decrease in prepaid expenses		11,019,110,497	19,258,359,982
13	Interest paid		(15,014,599,976)	(80,975,944,421)
14	Corporate income tax paid		(70,752,205,322)	(22,900,576,918)
15	Other proceeds from operating activities		267,588,322	7,500,000
16	Other payments for operating activities		(15,242,385,350)	(30,070,439,246)
20	**Cash flow from/(used in) operating activities**		**(565,795,442,240)**	**1,579,896,533,143**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(9,977,559,007)	(263,542,218,009)
22	Proceeds from fix assets disposal		1,709,357,843	901,636,358
23	Loan to and payments for purchase of debt instruments of other entities		-	(12,500,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		-	38,610,684,983
25	Payments for investments in other entities		(487,685,265,609)	(466,671,076,887)
26	Proceeds from sale of investments in other entities		844,012,051,172	387,760,777,945
27	Interests and dividends received		204,773,302,343	130,279,911,870
30	**Net cash flows from/(used) in investing activities**		**552,831,886,742**	**(185,160,283,739)**

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the fiscal year ended 31 December 2012

Currency: VND

Code	*ITEMS*	*Note*	*Current year*	*Previous year*
	III. CASH FLOW FROM FINANCING ACTIVITIES			
31	Proceeds from share issuance, capital contribution		-	15,000,000,000
	Capital contribution of minority shareholders		6,000,000,000	-
32	Capital redemption and payments for purchase of treasury shares		(654,900,000)	(85,816,286,000)
33	Drawdown of borrowings		3,493,177,999,828	60,000,000,000
34	Repayments of borrowings		(3,135,449,978,751)	(2,060,000,000,000)
36	Dividends paid to shareholders		(348,783,926,140)	(347,461,697,000)
40	**Net cash flows from / (used in) financial activities**		**14,289,194,937**	**(2,418,277,983,000)**
50	**Net increase/(decrease) in cash and cash equivalents during the year**		**1,325,639,439**	**(1,023,541,733,596)**
60	**Cash and cash equivalents at the beginning of the year**	4	**1,945,764,811,547**	**2,969,211,607,544**
61	Effects of foreign exchange		-	94,937,598
70	**Cash and cash equivalents at the end of the year**	4	**1,947,090,450,986**	**1,945,764,811,547**

Preparer	*Approver*	*Approver*
Ms. Hoang Thi Minh Thuy	Ms. Nguyen Thi Thanh Ha	Mr. Nguyen Duy Hung
Chief Accountant	Chief Financial Officer	Chief Executive Officer

Ho Chi Minh City, Vietnam

22 March 2013

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the fiscal year ended 31 December 2012

Currency: VND

Items	*Note*	*Opening balance*		*Increase/Decrease*				*Ending balance*	
		1 January 2011	*1 January 2012*	*For fiscal year ended 31 December 2011*		*For fiscal year ended 31 December 2012*		*31 December 2011*	*31 December 2012*
				Increase	*Decrease*	*Increase*	*Decrease*		
A	B	1	2	3	4	5	6	7	8
1. Chartered capital	26	3,511,117,420,000	3,526,117,420,000	15,000,000,000	-	-	-	3,526,117,420,000	3,526,117,420,000
2. Share premium	26	340,921,476,378	340,921,476,378	-	-	-	-	340,921,476,378	340,921,476,378
3. Other owners' capital		-	383,614,879	383,614,879	-	-	(2,989,292,649)	383,614,879	(2,605,677,770)
4. Treasury shares	26	(12,365,677,000)	(88,591,286,000)	(76,225,609,000)	-	(654,900,000)	-	(88,591,286,000)	(89,246,186,000)
5. Asset revaluation reserve		-	-	-	-	-	-	-	-
6. Foreign exchange differences reserve		-	-	-	-	-	-	-	-
7. Development fund		-	-	-	-	-	-	-	-
8. Financial and statutory reserve	26	220,524,469,842	289,383,181,436	68,858,711,594	-	-	-	289,383,181,436	289,383,181,436
9. Other funds belonging to owners' equity		-	-	-	-	-	-	-	-
10. Undistributed earnings	26	1,399,114,338,962	1,012,450,891,924	81,058,284,480	(467,721,731,518)	464,299,378,161	(349,747,436,264)	1,012,450,891,924	1,127,002,833,821
TOTAL	**26**	**5,459,312,028,182**	**5,080,665,298,617**	**89,075,001,952**	**(467,721,731,518)**	**463,644,478,161**	**(352,736,728,913)**	**5,080,665,298,617**	**5,191,573,047,865**

Preparer

Ms. Hoang Thi Minh Thuy
Chief Accountant

Approver

Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Approver

Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam

22 March 2013

1. THE COMPANY

Saigon Securities Incorporation ("the Company") is a joint stock company established under the Corporate Law of Vietnam and the Operation License No. 3041/GP-UB dated 27 December 1999 issued by the Ho Chi Minh City People's Committee and the first Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment. The Company then received the Securities Trading License No. 03/GPHDKD issued by the State Securities Commission on 05 April 2000 and subsequently amended licenses.

The primary businesses of the Company are brokerage service, securities trading, finance and investment advisory service, custodian service, and underwriting for securities issues.

The Company's shares were officially listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) from 15 December 2006. On 29 October 2007, the listing was switched to the Ho Chi Minh City Stock Exchange.

The Company's Head Office is located at 72 Nguyen Hue, District 1, Ho Chi Minh City. The Company also has branches based in Ho Chi Minh City, Hanoi, Vung Tau, Hai Phong and Nha Trang.

Chartered Capital

According to the Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment, the Company's chartered capital was initially VND 6,000,000,000. The chartered capital has been supplemented over time in accordance with amended licenses. As at 31 December 2012, in accordance with the latest Amended License No. 72/GPDC-UBCK by the Chairman of State Securities Commission, which has been effective since 30 January 2012, the Company's total chartered capital is VND 3,526,117,420,000.

Location and Network

The Company's Head Office is located in 72 Nguyen Hue, District 1, Ho Chi Minh City, Vietnam. As at 31 December 2012, the Company has one (01) Head Office, one (01) branch in Ho Chi Minh City, two (02) branches and one (01) transaction office in Hanoi, one (01) branch in Hai Phong, one (01) branch in Vung Tau and one (01) branch in Nha Trang.

Employees

Total number of employees of the Company and its subsidiaries as at 31 December 2012 is 389 (as at 31 December 2011, total number of employees was 400).

Subsidiaries

As at 31 December 2012, the Company has two (02) directly owned subsidiaries as follows:

Company name	*Established under*	*Business sector*	*Chartered capital*	*% holding*
SSI Asset Management Company Ltd. (SSIAM)	Operating License No.19/UBCK- GP dated 3 August 2007.	Investment fund management and investment portfolio management.	VND 30 billion.	100%
SSI Investment Member Fund (SSI IMF)	Approval Letter of Member Fund Foundation No.130/TB-UBCK dated 27 July 2010.	Investments in securities and other assets, including real estates.	VND 390 billion.	80%

1. THE COMPANY (continued)

Subsidiaries (continued)

As at 31 December 2012, the Company has one (01) indirectly owned subsidiary as follows:

Company name	*Established under*	*Business sector*	*Maximum investment capital*	*% holding*
SSI International Corporation	Register No. SRV 090813396-4724807 dated 27 August 2009 in Delaware, USA. Foreign Investment License No. 249/BKH-DTRNN issued by Ministry of Planning and Investment dated 03 July 2009, and: Amendment Certificate No. 249/BKH-DTRNN-DC1 issued by Ministry of Planning and Investment dated 31 August 2010.	Investments in real estates and office buildings in the United States of America.	USD 18.5 million.	80%, indirectly owned through SSI IMF.

Associates

As at 13 November 2012, the Company has one (01) directly controlled associate as follows:

Company name	*Established under*	*Business sector*	*Chartered capital*	*% holding*
SSI Vision Fund	Incorporation and Operating Licence No.126/TB-UBCK issued by the State Securities Commission on 14 November 2007.	A closed – end member fund with 5-year operation. The Fund will end its operation on 14 November 2012.	VND 1,700 billion.	37.94% (Initial investment was VND 485 billion, accounting for 28.53% of the Fund's total capital).

SSI Vision Fund is a closed – end member fund with total initial capital of VND 1,700 billion, and 5 – year operation, and established under the Incorporation and Operating License No. 126/TB-UBCK issued by the State Securities Commission dated 14 November 2007. According to the Fund's Charter, its operation ends on 14 November 2012. The Fund is currently conducting necessary procedures on the closing, which are expected to be completed in the first quarter of 2013.

According to the Resolution of the General Meeting dated 15 May 2012 and the Resolution of Unusual General Meeting dated 17 October 2012, the Fund's members reached an agreement that the closure would be on 14 November 2012; accordingly, the Fund would conduct necessary procedures afterwards to transfer its entire investment portfolio into cash and pay to its owners. As at 31 December 2012, as such procedures were still in the process, the Company recognised a receivable from liquidation of the Fund, please refer to Note 8 for details.

1. THE COMPANY (continued)

Associates (continued)

As at 31 December 2012, the Company has nine (09) indirectly controlled associates as follows:

Company name	*Established under*	*Business sector*	*Chartered capital*
Bentre Aquaproduct Import and Export Joint Stock Company (ABT)	Decision No. 3423/QD-UB dated 1 December 2003 issued by People's Committee – Ben Tre province, and Business Registration No. 1300376365 dated 26 December 2003 issued by Department of Planning and Investment - Ben Tre Province, the sixth amendment license dated 17 November 2010. The company is listed on Hochiminh Stock Exchange.	Processing and exporting seafood, importing materials and commodities; aquaculture; restaurants and other services.	VND 136,072,070,000
Pan-Pacific Corporation (PAN)	Joint Stock Enterprise Registration No. 0301472704 dated 6 June 2011 issued by Department of Planning and Investment – Hochiminh City (5th amendment). The company formerly operated under Business Registration No. 4103003790 dated 31 August 2005. The company is listed on Hochiminh Stock Exchange.	House cleaning services, trading industrial cleaning equipment; home maintenance services; insecticide service; housing decoration, landscape, garden, rockery, parks, zoos; real estate investment; buildings, apartments management.	VND 115,500,000,000
Hung Vuong Corporation (HVG)	Business Registration No. 5303000053 issued by Department of Planning and Investment – Tien Giang province dated 15 January 2007 and amended licenses. The company is listed on Hochiminh Stock Exchange.	Raising and processing seafood for export; producing foods for aquaculture, livestock and poultry; providing cold storage services and real estates.	VND 791,976,690,000

1. THE COMPANY (continued)

Associates (continued)

As at 31 December 2012, the Company has nine (09) indirectly controlled associates as follows:

Company name	*Established under*	*Business sector*	*Chartered capital*
Binh Thanh Import-Export Production and Trade Joint Stock Company (GIL)	The company was founded as a state-owned company in 1982 directly under People's Committee – Hochiminh City. It was securitized by Decision No. 134/2000/QD-TTg issued by the Government on 24 November 2000 regarding transforming Binh Thanh Import-Export Production and Trade Company to Binh Thanh Import-Export Production and Trade Joint Stock Company. Business Registration No. 4103000253 dated 29 December 2000 and Amended License No. 0302181666 dated 16 February 2012 issued by Department of Planning and Investment – Hochiminh City. The company is listed on Hochiminh Stock Exchange.	Producing, processing and exporting agricultural, forestry and fishery products, crafts, garment... Importing machineries, equipments, materials and supplies ... Commercial services and pawnbroking, Construction, Interior decoration, Leveling, Real estates, Business cooperation in restaurants, hotels and tourism.	VND 139,245,880,000
Long An Food Processing Export Joint Stock Company (LAF)	The company was transformed from Long An Processing Export Enterprise according to Decision No. 4206/QDUB dated 1 July 1995 by People's Committee – Long An Province. The company is listed on Hochiminh Stock Exchange.	Processing, storing aqua products and other products; Processing, producing, exporting and importing, agency, brokerage in: agricultural, fishery products and foods etc.; Warehouse, port and office rental; Financial investment and agency.	VND 147,280,190,000
National Seed Joint Stock Company (NSC)	The company was transformed from National Seed Company I according to Decision No. 5029/QD/BNN-TCCB dated 10 November 2003 issued by Ministry of Agriculture and Rural Development and Business Registration No. 0103003628 issued by Department of Planning and Investment – Hanoi City dated 6 February 2004 and 8th Amended License No. 0101449271 dated 23 September 2011. The company is listed on Hochiminh Stock Exchange.	Cultivating and selling seeds and related supplies; Importing and exporting seeds and related supplies; Processing, packaging and preserving seeds and related supplies; Real estate trading.	VND 100,298,380,000

1. **THE COMPANY** (continued)

Associates (continued)

As at 31 December 2012, the Company has nine (09) indirectly controlled associates as follows:

Company name	*Established under*	*Business sector*	*Chartered capital*
Southern Seed Joint Stock Company (SSC)	SSC is a joint stock company established under Vietnam Enterprise Law and Business Registration No. 4103001067 issued by Department of Planning and Investment – Hochiminh City dated 24 June 2002 and amended licenses. The company is listed on Hochiminh Stock Exchange.	Researching, manufacturing, selling, importing and exporting seeds; Producing, selling, importing and exporting agricultural supplies; Producing and packaging botanical preventive chemicals; Manufacturing, importing and exporting agricultural machineries.	VND 149,923,670,000
Electronics Communications Technology Investment Development Joint Stock Company (ELC)	Electronics Communications Technology Investment Development Limited Company, precursor of of Elcom, was founded on 15 December 1995. Its primary activity is research on applied technology. Elcom was established under Business Registration No. 0103002552 issued by Department of Planning and Investment – Hanoi City on 18 July 2003. The company is listed on Hochiminh Stock Exchange.	Manufacturing and assembly of electronic products informatics; retailer and consignment; scientific and technical services; Installation and maintenance of telecommunications equipment, low – capacity base station, supporting equipment, power supplies, installation of transmission equipment for microwave routes and cable network; manufacturing computer software, transferring information technology, installation of high- technology system; Counselling information systems, automation systems and electronic and telecommunications systems; provide and analyse database, storage services and data processing; machinery leasing, electrical equipment, electronics, telecommunications, scientific equipment; advertisement; Agents of telecommunications services and internet services, entertainment services with radio, television, newspapers; Investment in livestock, farming and eco-tourism; Purchase, manufacture fire alarms, security alarms ...	VND 366,249,090,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2012 and for the fiscal year then ended

1. **THE COMPANY** (continued)

Associates (continued)

As at 31 December 2012, the Company has nine (09) indirectly controlled associates as follows:

Company name	*Established under*	*Business sector*	*Chartered capital*
Transimex – Saigon Corporation (TMS)	Transimex Saigon Corporation is a state-owned company founded in 1983. The company was transformed to joint stock company in accordance with Decision No. 989/QDTTg dated 26 October 1999 by Prime Minister and Business Registration No. 056651 issued by Department of Planning and Investment – Hochiminh City on 3 December 1999. The company is listed on Hochiminh Stock Exchange.	Forwarding agent of importing and exporting sea, air and land cargo. Shipping agents and ship brokers, customs clearance services. Warehouse, bonded warehouse retail packaging collection CFS warehouse, inland clearance points ICD. Land transportation of export and public goods.	VND 230,738,240,000

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The consolidated financial statements of the Company and its subsidiaries expressed in Vietnam dong ("VND") are prepared in accordance with the accounting policies for securities companies as set out in the Circular No. 95/2008/TT-BTC dated 24 October 2008 by the Ministry of Finance (in replacement of Decision No. 99/2000/QD-BTC dated 13 June 2000 by the Ministry of Finance), Circular No. 162/2010/TT-BTC dated 20 October 2010 by the Ministry of Finance and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in owners' equity and related notes, including their utilisation are not designed for those who are not informed of Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position, results of operations, cash flows and movements of owner's equity in accordance with accounting principles and practices generally accepted in countries and territories other than Vietnam.

2.2 *Applied accounting documentation system*

The applied accounting documentation system is the General Journal system.

2.3 *Fiscal year*

The Company's fiscal year starts on 1 January and ends on 31 December. The Company also prepares consolidated financial statements for the fiscal year ended 31 December annually.

2.4 *Accounting currency*

The consolidated financial statements are prepared in VND, which is also the Company's accounting currency.

2. BASIS OF PRESENTATION (continued)

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of Saigon Securities Incorporation (the parent company), its subsidiaries and associates for the fiscal year ended 31 December 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the parent company obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the parent company and subsidiaries are prepared for the same reporting period and using the consistent accounting policies.

All intra-company balances, incomes and expenses, and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries which are not held by the Company, and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks, investors' deposits for securities trading, highly liquid short-term investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Receivables*

Receivables are presented at the carrying amounts at any time.

Provision for doubtful debts is made based on: i) aging method: for overdue receivables; or ii) estimated potential loss: for current receivables whose institutional borrowers are under bankruptcy or dissolution or individual borrowers has disappeared, or decamped, or been involved in prosecution, trial or execution, or died. Provision expense is recognized into *"General and administrative expense"* of the period.

As for overdue receivables, provision level is prescribed in Circular 228/2009/TT-BTC issued by Ministry of Finance on 7 December 2009 as follows:

Age of the overdue receivable	*Provision level*
From 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%
More than three (03) years	100%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

Cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs to bring the asset into working condition as its intended use.

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

When tangible fixed assets are sold or disposed, their costs and accumulated depreciation are written off and any gain or loss resulting from their disposal is included in the consolidated income statement.

3.4 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs to bring the asset into working condition as its intended use.

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

When the intangible fixed assets are sold or disposed, their costs and accumulated amortisation are written off and any gain or loss resulting from their disposal is included in the consolidated income statement.

3.5 *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:

Buildings and architectures	6 years
Office machineries	3 years
Means of transportation	6 years
Office equipments	3 - 5 years
Software	3 - 5 years
Land use rights with indefinite life	not amortised
Other intangible fixed assets	5 - 7 years

3.6 *Investment properties*

Investment properties are stated at cost, inclusive of related transaction fees less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.

Depreciation and amortisation of the property is calculated on a straight-line basis over the estimated useful life of each asset.

3.7 *Operating lease*

Rentals respective to operating leases are included in the consolidated income statement on a straight-line basis over the term of the lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Financial investments and provision for diminution in price of securities*

Circular No. 95/2008/TT-BTC allows securities companies to account for securities investments under either cost accounting method or fair value accounting method. Accordingly, the Company chooses the cost accounting method to record its securities investments.

Trading securities and long-term investment securities are initially recognized at cost.

These securities are continually recognized at cost less accumulated gains before purchase date, if any.

Provision for diminution in price of securities is made for individual stocks whose market values are lower than book values.

The market prices of listed equity securities are determined based on the matching prices on stock markets (which are average prices on Hanoi Stock Exchange and closing prices on Ho Chi Minh City Stock Exchange) as at 31 December 2012.

Market prices of unlisted equity securities are referenced to average trading prices quoted on the trading market of unlisted public companies' securities (UPCoM) for registered members, or the average price of public quotations from at least three securities companies, quotations on Investment Journal as at 31 December 2012 for unregistered members.

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 2012.

3.9 *Investments in associates*

An associate is an entity in which the Company has significant influence but that is neither subsidiaries nor joint ventures. The Company generally deems they have significant influence if they have over 20% of the voting rights.

The Company's investments in associates are accounted for using the equity method of accounting.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over 3-year period. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting year as the Company and use the same accounting policies. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company's associates are listed in Note 14.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Repurchase and reverse repurchase agreements*

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

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

3.11 *Payables and accrued expenses*

Payables and accrued expenses are recognized for amounts to be paid in the future for interest of convertible bonds, goods and services received, whether or not billed to the Company.

3.12 *Accruals for severance pay*

The severance payment to employee is accrued at the end of each reporting period for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary of the 6-month period up to the termination for each year of service in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing from 1 January 2009, the average monthly salary used for this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any changes to the accrued amount will be taken to the consolidated income statement.

3.13 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the commercial bank's exchange rate ruling at the transaction date. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at inter-bank exchange rates ruling at the consolidated balance sheet date. All realized and unrealized foreign exchange differences are taken to the consolidated income statement.

3.14 *Treasury shares*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of receipts or receivables less trade discount, concessions and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Revenue is recognized to the extent of work-completeness when the result of the contract can be ensured. In case when the contractual result cannot be ensured, the revenue will only be recognized to the extent of recovery of recorded expenses.

Revenue from trading securities

Revenue from trading securities are determined by the differences between selling prices and the weighted average cost of securities sold.

Repurchase and reverse repurchase agreement

Revenue is taken into the consolidated income statement on a straight-line basis over the term of agreements.

Interest

Revenue is recognized in the consolidated income statement on accrual basis (taking into account the effective yield on the asset), except for cumulative gains before purchase date (which is recognized as deductions to cost of securities) or doubtful collectability.

Dividend

Revenue is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividends received in form of stocks, the number of received stocks is accounted for in notes to the financial statements without recognition of value of received stocks or financial revenue or an increase in investment value.

Rental income

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (or recovered from) 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 consolidated income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also taken to 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 consolidated financial reporting purposes.

Deferred income 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 affects neither the accounting profit nor taxable profit or loss upon the incurrence of the related transaction; and
- In respect of taxable temporarily differences associated with investments in subsidiaries and associates, and capital contributions 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 capital contributions 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 reassessed 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Corporate income tax (continued)

Deferred income tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is 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 consolidated 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 for the Company to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.17 Appropriation of net profits and reserves

The Company will distribute the annual net profit after corporate income tax and distribution to reserves (in accordance with the Company's policy and as required by Vietnamese Laws) in accordance with resolutions of Shareholders' Meetings.

The Company uses retained earnings to create reserves in accordance with the Circular No. 11/2000/TT-BTC issued by the Ministry of Finance on 01 February 2000 and Decision No. 27/2007/QĐ-BTC issued by the Ministry of Finance on 24 April 2007, as follows:

	Percentage of profit after tax	*Maximum level*
Capital Supplementary Reserve	5%	100% of chartered capital
Statutory Reserve	5%	10% of chartered capital

Other reserves and funds are created in accordance with resolutions of Shareholders' Meetings.

4. CASH AND CASH EQUIVALENTS

	31 December 2012 VND	*31 December 2011 VND*
Cash on hand	157,236,602	152,163,551
Cash at bank	806,703,214,384	729,943,429,280
In which:		
- *Cash at bank of the Company*	*111,471,419,671*	*88,757,731,296*
- *Cash at bank for trading securities of investors (investors' deposits)*	*695,231,794,713*	*601,838,543,283*
- *Cash at bank of trustees (*)*	-	*39,347,154,701*
Cash equivalents	1,140,230,000,000	1,215,669,218,716
- *Term deposits due within 3 months (**)*	*1,140,230,000,000*	*1,215,669,218,716*
	1,947,090,450,986	**1,945,764,811,547**

(*) In accordance with Circular No.125/2011/TT-BTC dated 5 September 2011 issued by Ministry of Finance providing guidance on accounting applicable for fund management companies, taking effective since 1 January 2012, deposits, securities, investment portfolio and account receivables and payables of trust investors as well as trust capital received will be managed off-balance sheet instead of being recognized on the balance sheet.

(**) Among these term deposits, a VND 100 billion one-month term deposit at Vietnam Export Import Commercial Joint Stock Bank (Eximbank) and a VND 100 billion three-month term deposit at Bank for Investment and Development of Vietnam (BIDV) were used as collaterals for the Company's borrowings. Please refer to Note 17 – *Short-term borrowings.*

5. TRADING VALUE AND TRADING VOLUME IN THE YEAR

	Trading volume during the year Unit	*Trading value during the year VND*
The Company	31,362,301	1,839,506,678,800
- *Shares*	*14,061,471*	*250,160,992,800*
- *Bonds*	*17,138,000*	*1,588,547,819,000*
- *Others (investment fund certificates)*	*162,830*	*797,867,000*
Investors	3,290,751,658	65,590,423,995,680
- *Shares*	*3,150,322,418*	*52,063,529,192,470*
- *Bonds*	*125,965,350*	*13,451,263,168,210*
- *Others (investment fund certificates)*	*14,463,890*	*75,631,635,000*
	3,322,113,959	**67,429,930,674,480**

6. FINANCIAL INVESTMENTS

6.1 *Short-term investments*

Company's short-term investment portfolio as at 31 December 2012 and 31 December 2011 is as followed:

		Book value	*In comparison with market value*		
Item	*Quantity*	*VND*	*Appreciation VND*	*Depreciation VND*	*Market value VND*
As at 31 December 2012					
Trading securities	***34,662,506***	***589,163,797,759***	***20,836,630,523***	***(194,353,925,227)***	***415,646,503,055***
Listed shares	30,793,624	477,229,343,888	20,836,630,523	(147,309,314,209)	350,756,660,202
Unlisted shares	3,743,882	99,434,453,871	-	(47,044,611,018)	52,389,842,853
- *Portion whose market value is determinable (*)*	*3,673,382*	*92,384,453,871*	-	*(47,044,611,018)*	*45,339,842,853*
- *Portion whose market value is undeterminable (**)*	*70,500*	*7,050,000,000*	-	-	*7,050,000,000*
Bonds	125,000	12,500,000,000	-	-	12,500,000,000
- *Portion whose market value is determinable*	-	-	-	-	-
- *Portion whose market value is undeterminable (**)*	*125,000*	*12,500,000,000*	-	-	*12,500,000,000*
Other short-term investments	-	***1,703,000,000,000***	-	-	***1,703,000,000,000***
Term deposits due in more than 3 months (***)	-	1,703,000,000,000	-	-	1,703,000,000,000
	34,662,506	**2,292,163,797,759**	**20,836,630,523**	**(194,353,925,227)**	**2,118,646,503,055**
As at 31 December 2011					
Trading securities	***48,217,355***	***1,052,561,099,307***	***15,286,727,178***	***(303,123,545,515)***	***764,724,280,970***
Listed shares	44,540,705	873,223,160,334	15,286,727,178	(292,141,620,515)	596,368,266,997
Unlisted shares	3,017,150	93,173,000,000	-	(10,981,925,000)	82,191,075,000
Bonds	659,500	86,164,938,973	-	-	86,164,938,973
- *Portion whose market value is determinable*	-	-	-	-	-
- *Portion whose market value is undeterminable (**)*	*659,500*	*86,164,938,973*	-	-	*86,164,938,973*
Other short-term investments	-	***476,649,028***	-	-	***476,649,028***
Term deposits due in more than 3 months	-	476,649,028	-	-	476,649,028
	48,217,355	**1,053,037,748,335**	**15,286,727,178**	**(303,123,545,515)**	**765,200,929,998**

(*): Market value of these securities is determined by net asset value/book value of issuers, or quoted prices in investment journals.

(**): Market value of securities whose market values are undeterminable is stated at their book value due to unavailability of market information.

(***): Among these deposits, a one-month 100-billion-dong deposit at Vietnam Prosperity Joint Stock Commercial Bank (VPbank) and a one-year 850-billion-dong deposit at Bank for Investment and Development of Vietnam (BIDV) are security of overdrafts. Refer to Note 17 – *Short-term borrowings* for more details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2012 and for the fiscal year then ended

6. FINANCIAL INVESTMENTS (continued)

6.2 *Long-term financial investments*

Company's long-term investment portfolio as at 31 December 2012 and 31 December 2011 is as followed:

Item	*Quality*	*Book value VND*	*In comparison with market value*		*Market value VND*
			Appreciation VND	*Depreciation VND*	
As at 31 December 2012					
Available-for-sales securities	***24,290,220***	***1,056,730,351,972***	***3,641,009,204***	***(82,059,042,586)***	***978,312,318,590***
Listed shares	*10,234,553*	258,115,910,455	1,852,009,204	(53,348,175,958)	206,619,743,701
Unlisted shares (*)	7,750,632	131,989,207,174	1,789,000,000	(28,710,866,628)	105,067,340,546
Bonds	6,305,035	666,625,234,343	-	-	666,625,234,343
- *Portion whose market value is determinable*	-	-	-	-	-
- *Portion whose market value is undeterminable (**)*	*6,305,035*	*666,625,234,343*	-	-	*666,625,234,343*
Held-to-maturity securities	-	-	-	-	-
Other long-term investments	***12,666,999***	***548,616,990,000***	-	***(93,178,900,000)***	***455,438,090,000***
Portion whose market value is determinable (*)	12,666,999	548,616,990,000	-	(93,178,900,000)	455,438,090,000
- *Vissai Cement Central Region Joint stock Company*	*900,000*	*10,000,000,000*	-	*(775,900,000)*	*9,224,100,000*
- *SSI Real Estates Joint stock Company*	*1,499,999*	*14,999,990,000*	-	-	*14,999,990,000*
- *Hoang Anh Gia Lai Rubber Joint Stock Company*	*10,267,000*	*523,617,000,000*	-	*(92,403,000,000)*	*431,214,000,000*
Portion whose market value is undeterminable	-	-	-	-	-
	36,957,219	**1,605,347,341,972**	**3,641,009,204**	**(175,237,942,586)**	**1,433,750,408,590**

(*): Market value of these securities is determined by net asset value/book value of issuers, or quoted prices in investment journals.

(**): Market value of securities whose market values are undeterminable is stated at their book value due to unavailability of market information.

Out of which 200,000 bonds, equivalent to VND 20,132,645,562, are underlying assets of repurchase agreements. Refer to Note 37.5 – Collaterals for more details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2012 and for the fiscal year then ended

6. FINANCIAL INVESTMENTS (continued)

6.2 *Long-term financial investments* (continued)

Item	*Quantity*	*Book value VND*	*In comparison with market value*		*Market value VND*
			Appreciation VND	*Depreciation VND*	
As at 31 December 2011					
Available-for-sales securities	***22,456,423***	***1,128,856,979,464***	***3,163,320,881***	***(166,853,124,408)***	***965,167,175,937***
Listed shares	9,195,965	346,141,584,971	3,163,320,881	(133,643,284,762)	215,661,621,090
Unlisted shares	6,355,458	87,791,294,397	-	(14,220,179,920)	73,571,114,477
Bonds	6,905,000	694,924,100,096	-	(18,989,659,726)	675,934,440,370
- *Portion whose market value is determinable (***)*	*600,000*	*63,298,865,753*	-	*(18,989,659,726)*	*44,309,206,027*
- *Portion whose market value is undeterminable (*)*	*6,305,000*	*631,625,234,343*	-	-	*631,625,234,343*
Held-to-maturity securities	-	-	-	-	-
Other long-term investments	***32,622,499***	***749,788,390,000***	-	***(833,500,000)***	***748,954,890,000***
Portion whose market value is determinable (**)	22,355,499	226,171,390,000	-	(833,500,000)	225,337,890,000
- *Vissai Cement Central Region Joint stock Company*	*900,000*	*10,000,000,000*	-	*(833,500,000)*	*9,166,500,000*
- *Petrolimex Group Commercial Joint Stock Bank*	*19,955,500*	*201,171,400,000*	-	-	*201,171,400,000*
- *SSI Real Estates Joint stock Company*	*1,499,999*	*14,999,990,000*	-	-	*14,999,990,000*
Portion whose market value is undeterminable (*)	10,267,000	523,617,000,000	-	-	523,617,000,000
- *Hoang Anh Gia Lai Rubber Joint Stock Company*	*10,267,000*	*523,617,000,000*	-	-	*523,617,000,000*
	55,078,922	**1,878,645,369,464**	**3,163,320,881**	**(167,686,624,408)**	**1,714,122,065,937**

(*): Market value of securities whose market values are undeterminable is stated at their book value due to unavailability of market information.

(**): Market value of these securities is determined by net asset value/book value of issuers, or quoted prices in investment journals.

(***): The portion represents the book value and provision of Vinashin bonds. The provision was made based on the Company's own assessment of potential recoverability.

6. FINANCIAL INVESTMENTS (continued)

6.2 *Long-term financial investments* (continued)

Other long-term investments represent the Company's contributions in investees for long-term purposes. The list of the Company's investees as at 31 December 2012 is as follows:

- On 16th December 2011, the Company contributed capital to the Hoang Anh Gia Lai Rubber Joint Stock Company. Accordingly to the contract, the Company's capital contribution accounts for 2.62% of the chartered capital of Hoang Anh Gia Lai Rubber JSC. The main operations of the investee include: planting rubber trees and other perennials; planting and protecting forests; rubber trading, seed producing and trading; other plating services, production of fertilizers and nitrogen compounds; industrial equipment trading, mining, forestry and construction; trading of other building materials and equipment; trading of agricultural and forestry materials (except wood, bamboo), stone mining, buy, sell, consign goods; buy, sell, export rubber liquid with legal origin, production and processing of rubber; mining chemical and fertilizer mineral; exploitation and collection of peat coal, iron ore, nonferrous metals and production of precious metals, production of iron and steel.

- The investment in Vissai Cement Central Region Joint stock Company, formerly Dai Viet Construction and Investment Company, was made in 2007. Main activities of this company are construction materials, interior and exterior decoration materials exploiting, producing and trading; executing, installing, improving and decorating for construction buildings.

- The Company also contributed capital in SSI Real Estates Joint stock Company in 2007 as a foundation shareholder. Main activities of SSI Real Estate Joint stock Company are houses, industry parks, residential quarters, office buildings investment and trading; lands and offices leasing and managing services.

6. FINANCIAL INVESTMENTS (continued)

6.3 *Provision for investment diminution*

Provision for short-term investments

Items	*Quantity*	*Book value VND*	*Depreciation in comparison with market value VND*	*Market value VND*
Listed shares				
DAC	47,366	2,251,325,570	(1,540,835,570)	710,490,000
NSP	418,273	4,182,730,000	(1,087,509,800)	3,095,220,200
FPT	210,690	8,608,369,280	(1,192,181,578)	7,416,187,702
PDN	410,120	9,707,131,800	(930,563,800)	8,776,568,000
VFMVF4	14,226,250	124,687,062,241	(62,091,562,241)	62,595,500,000
SVC	2,345,442	48,978,224,783	(17,080,213,584)	31,898,011,199
TMT	2,500,238	65,813,021,526	(54,045,084,241)	11,767,937,285
VHL	1,244,939	21,801,196,622	(8,978,324,923)	12,822,871,699
Others	18,505	543,818,473	(363,038,472)	180,780,001
	21,421,823	**286,572,880,295**	**(147,309,314,209)**	**139,263,566,086**
Unlisted shares				
Vien Dong Pharmaceutical Joint Stock Company	2,869	117,843,800	(107,802,300)	10,041,500
VMG Communication JSC	714,000	23,205,000,000	(357,000,000)	22,848,000,000
AGF Delta Investment and Construction JS Company	200,000	2,000,000,000	(1,905,600,000)	94,400,000
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	2,140,000	53,000,000,000	(35,880,000,000)	17,120,000,000
Pythis JS Company	190,000	3,268,000,000	(1,558,000,000)	1,710,000,000
E Den JS Company	199,650	4,650,000,000	(3,252,450,000)	1,397,550,000
Descon Industrial Construction JSC	226,120	6,131,898,718	(3,983,758,718)	2,148,140,000
	3,672,639	**92,372,742,518**	**(47,044,611,018)**	**45,328,131,500**
	25,094,462	**378,945,622,813**	**(194,353,925,227)**	**184,591,697,586**

6. FINANCIAL INVESTMENTS (continued)

6.3 *Provision for investment diminution* (continued)

Provision for long-term investments

Items	*Quantity*	*Book value VND*	*Depreciation in comparison with market value VND*	*Market value VND*
Listed shares				
HAG	1,670,741	56,935,268,206	(20,847,262,610)	36,088,005,596
PDN	1,134,721	38,486,340,864	(14,203,311,464)	24,283,029,400
FPT	1,498,500	70,720,795,792	(17,973,595,792)	52,747,200,000
APC	2,265,690	23,428,395,299	(318,357,299)	23,110,038,000
NET	183,500	7,070,398,793	(5,648,793)	7,064,750,000
	6,753,152	**196,641,198,954**	**(53,348,175,958)**	**143,293,022,996**
Unlisted shares				
Viglacera Dap Cau Glass JS Company	800,000	15,200,000,000	(13,540,000,000)	1,660,000,000
Vinh Tuong Industrial JSC	132,140	3,039,220,000	(1,156,225,000)	1,882,995,000
Hoang Anh Gia Lai Rubber JSC	10,267,000	523,617,000,000	(92,403,000,000)	431,214,000,000
Vissai Cement Central Region JS Company	900,000	10,000,000,000	(775,900,000)	9,224,100,000
Descon Industrial Construction JSC	398,470	11,324,672,774	(7,539,207,774)	3,785,465,000
Cat Ba Tourism JSC	999,999	11,999,988,000	(3,545,996,454)	8,453,991,546
Viet Tin JSC	6,299	6,654,826,400	(1,450,592,600)	5,204,233,800
Others	4,013,724	51,987,500,000	(1,478,844,800)	50,508,655,200
	17,517,632	**633,823,207,174**	**(121,889,766,628)**	**511,933,440,546**
	24,270,784	**830,464,406,128**	**(175,237,942,586)**	**655,226,463,542**

The market prices of listed equity securities are determined based on the matching prices on stock markets (which are average prices on Hanoi Stock Exchange and closing prices on Ho Chi Minh City Stock Exchange) as at 31 December 2012.

Market prices of unlisted equity securities are referenced to average trading prices quoted on the trading market of unlisted public companies' securities (UPCoM) for registered members, or the average price of public quotations from at least three securities companies, quotations on Investment Journal as at 31 December 2012 for unregistered members.

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 2012.

7. SHORT-TERM INVESTMENTS OF TRUSTEES

	31 December 2012 VND	*31 December 2011 VND*
Listed shares	-	109,975,989,696
Unlisted shares	-	9,477,000,000
	-	**119,452,989,696**

In accordance with Circular No.125/2011/TT-BTC dated 5 September 2011 issued by Ministry of Finance providing guidance on accounting applicable for fund management companies, taking effective since 1 January 2012, deposits, securities, investment portfolio and account receivables and payables of trust investors as well as trust capital received will be managed off-balance sheet instead of being recognized on the consolidated balance sheet.

8. SHORT-TERM RECEIVABLES

	31 December 2012 VND	*31 December 2011 VND*
Receivables from investors	500,024,123,162	291,054,053,897
- *Advances to investors*	*203,554,006,741*	*26,751,833,547*
- *Receivables from margin contracts*	*185,273,928,623*	*103,770,474,680*
- *Receivables from investment cooperation contracts (engaged before 30 August 2011)*	*1,300,000,000*	*157,185,719,632*
- *Receivables from Vinashin bonds (1)*	*60,000,000,000*	-
- *Receivables from liquidation of SSVIF (2)*	*14,593,307,741*	-
- *Receivables from advisory services (3)*	*34,703,719,489*	*2,323,014,127*
- *Receivables from portfolio and fund management services*	*96,212,146*	*625,397,883*
- *Other receivables*	*502,948,422*	*397,614,028*
Advances to suppliers	4,092,973,299	2,223,755,828
Receivables from securities activities	7,317,649,764	677,728
Other receivables	339,346,884,820	122,281,746,055
- *Deposit interest receivables*	*19,567,552,410*	*6,586,311,679*
- *Receivables from securities issuers (bond coupons, dividends, bill interests)*	*44,600,956,072*	*51,594,391,003*
- *Receivables from reversed repurchase agreements*	-	*54,005,000,000*
- *Receivables from bond brokerage contracts (4)*	*272,100,000,000*	-
- *Fee receivables from investment cooperation contracts*	*150,944,442*	*6,440,323,295*
- *Social insurance receivable*	-	*75,982,084*
- *Other receivables*	*2,927,431,896*	*3,579,737,994*
	850,781,631,045	**415,560,233,508**

(1) Overdue receivable of Vinashin bonds.

(2) The Company's initial investment in SSI Vision Fund amounted to VND 485 billion, which accounted for 28.53% of total charter capital of the Fund. As stated in the Fund's Charter, its operation ends on 14 November 2012. According to the Resolution of the General Meeting dated 15 May 2012 and the Resolution of Unusual General Meeting dated 17 October 2012, the Fund's members reached an agreement that the closure would be on 14 November 2012; accordingly, the Fund would conduct necessary procedures afterwards to transfer its entire investment portfolio into cash and pay to its owners. The Fund was conducting final settlement of its net assets, including shares, cash and receivables. As at 31 December 2012, SSI is entitled to a receivable amounting to VND 14,593,307,741 from liquidation of the Fund.

(3) Out of VND 34,703,719,489 is VND 32,194,000,000 due from bond issuance advisory service. This fee was collected in January 2013.

(4) Receivables from bond brokerage contracts are the Company's disbursements made in accordance with bond brokerage contracts, in which the Company deposits a certain amount of cash to customers to buy bonds as requested by the Company. In case, the customers fail to fulfil their commitment, they will pay back the deposits to the Company plus a penalty.

9. PROVISION FOR DOUBTFUL RECEIVABLES

Provision for doubtful receivables mostly represents the provision for Vinashin bonds. Detail of provision for doubtful receivables as at 31 December 2012 is as below:

	31 December 2012 VND	*31 December 2011 VND*
Principal of Vinashin bonds (*)	(51,000,000,000)	-
Vinashin bond coupon	(5,934,246,575)	(5,934,246,575)
Receivables from liquidation of SSI Vision Fund	(8,817,289,058)	-
Others	(433,300,000)	(12,002,500,000)
	(66,184,835,633)	**(17,936,746,575)**

(*) The provision for receivables from Vinashin bonds was made based on the Company's own assessment of potential recoverability. Accordingly, the Company made the provision for overdue Vinashin bonds held as at 31 December 2012.

10. OTHER CURRENT ASSETS

	31 December 2012 VND	*31 December 2011 VND*
Advances to employees	1,286,108,519	1,828,282,441
Short-term prepaid expenses	5,092,189,783	5,334,439,840
Short-term pledges and deposits	542,305,000	549,105,000
Prepaid corporate income tax of subsidiaries	464,966,248	3,347,725,304
Value-added tax deductible	119,318,128	85,921,890
	7,504,887,678	**11,145,474,475**

11. TANGIBLE FIXED ASSETS

	Buildings and architectures VND	*Office machineries VND*	*Means of transportation VND*	*Office equipments VND*	*Total VND*
Cost					
As at 31/12/2011	2,609,391,520	76,460,915,559	16,875,816,403	1,909,158,397	97,855,281,879
Increases	-	3,849,963,400	-	87,120,000	3,937,083,400
- *Purchases*	-	*3,849,963,400*	-	*87,120,000*	*3,937,083,400*
Decreases	-	(2,037,500,573)	(3,707,609,000)	(31,900,000)	(5,777,009,573)
- *Disposals*	-	*(2,037,500,573)*	*(3,707,609,000)*	*(31,900,000)*	*(5,777,009,573)*
As at 31/12/2012	2,609,391,520	78,273,378,386	13,168,207,403	1,964,378,397	96,015,355,706
Accumulated depreciation					
As at 31/12/2011	1,304,380,617	47,932,951,186	11,432,710,893	1,516,344,844	62,186,387,540
Increases	449,269,148	12,324,897,061	1,819,328,742	267,131,539	14,860,626,490
- *Charges*	*449,269,148*	*12,324,897,061*	*1,819,328,742*	*267,131,539*	*14,860,626,490*
Decreases	-	(1,756,082,099)	(3,338,023,922)	(31,900,000)	(5,126,006,021)
- *Disposals*	-	*(1,756,082,099)*	*(3,338,023,922)*	*(31,900,000)*	*(5,126,006,021)*
As at 31/12/2012	1,753,649,765	58,501,766,148	9,914,015,713	1,751,576,383	71,921,008,009
Net book value					
As at 31/12/2011	1,305,010,903	28,527,964,373	5,443,105,510	392,813,553	35,668,894,339
As at 31/12/2012	855,741,755	19,771,612,238	3,254,191,690	212,802,014	24,094,347,697

12. INTANGIBLE FIXED ASSETS

	Software *VND*	*Land use right with indefinite life* *VND*	*Other tangible fixed assets* *VND*	*Total* *VND*
Cost				
As at 31/12/2011	42,868,697,151	109,671,558,000	1,656,576,688	154,196,831,839
Increases	2,080,681,440	-	-	2,080,681,440
- *Purchases*	*2,080,681,440*	-	-	*2,080,681,440*
Decreases	-	-	-	-
As at 31/12/2012	44,949,378,591	109,671,558,000	1,656,576,688	156,277,513,279
Accumulated depreciation				
As at 31/12/2011	24,101,559,972	-	1,554,075,004	25,655,634,976
Increases	9,422,812,328	-	41,320,892	9,464,133,220
- *Charges*	*9,422,812,328*	-	*41,320,892*	9,464,133,220
Decreases	-	-	-	-
As at 31/12/2012	33,524,372,300	-	1,595,395,896	35,119,768,196
Net book value				
As at 31/12/2011	18,767,137,179	109,671,558,000	102,501,684	128,541,196,863
As at 31/12/2012	11,425,006,291	109,671,558,000	61,180,792	121,157,745,083

13. INVESTMENT PROPERTIES

	Buildings and lands (*) VND	*Other investment properties VND*	*Total VND*
Cost			
As at 31/12/2011	282,497,013,600	-	282,497,013,600
Increases	1,115,722,920	-	1,115,722,920
- *Purchases*	*1,115,722,920*	-	*1,115,722,920*
Decreases	-	-	-
As at 31/12/2012	283,612,736,520	-	283,612,736,520
Accumulated depreciation			
As at 31/12/2011	7,109,857,997	-	7,109,857,997
Increases	7,155,762,746	-	7,155,762,746
- *Charges*	*7,155,762,746*	-	*7,155,762,746*
Decreases	-	-	-
As at 31/12/2012	14,265,620,743	-	14,265,620,743
Net book value			
As at 31/12/2011	275,387,155,603	-	275,387,155,603
As at 31/12/2012	269,347,115,777	-	269,347,115,777

(*) Included in this item are six (06) buildings in the United States, which were bought by SSI International Company for the purpose of leasing. As at 31 December 2011, the cost of those assets is USD 13,769,423.66, equivalent to VND 282,497,013,600. In 2012, SSI International Company adjusted the cost of those assets to the actual amount. Accordingly, the revised cost of those assets is USD 13,824,781.70, equivalent to VND 283,612,736,520; in which, lands value to USD 2,544,423.18, equivalent to VND 52,065,180,034, and buildings value to 11,280,385.52 USD, equivalent to VND 231,547,556,486. Rental revenue for the year 2012 is VND 11,686,425,009.

14. INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

Investments in associates of the Company as at 31 December 2012 and 31 December 2011 are as follows:

	% ownership of the Company %	*% voting right of the Company %*	*31 December 2012 VND*	*31 December 2011 Restated (*) VND*
SSI Vision Fund	-	-	-	483,846,448,559
Ben Tre Aquaproduct Import and Export JSC	24.0%	25.0%	112,184,115,815	134,906,247,108
Hung Vuong Corporation	20.0%	20.0%	446,226,979,256	410,758,104,260
Pan-pacific Corporation	20.0%	20.4%	66,343,313,982	54,939,092,153
Binh Thanh Import-Export Production and Trade Joint Stock Company	25.3%	25.4%	80,423,308,230	-
National Seed Joint Stock Company	20.0%	20.0%	71,161,019,957	-
Southern Seed Joint Stock Company	20.0%	20.1%	89,591,299,013	-
Long An Food Processing Export Joint Stock Company	20.0%	20.0%	35,042,388,806	-
Electronics Communications Technology Investment Development Joint Stock Company	20.0%	20.0%	200,600,757,738	-
Transimex-Saigon Corporation	20.0%	20.0%	114,887,252,451	-
			1,216,460,435,248	**1,084,449,892,080**

(*) The restatement involves the integration of Goodwill to Investments in associates and joint-ventures in the consolidated balance sheet. Details of restated investments are as follows:

	Reported balance VND	*Reclassification of goodwill VND*	*Restated balance VND*
SSI Vision Fund	483,846,448,559	-	483,846,448,559
Ben Tre Aquaproduct Import and Export JSC	112,461,220,086	22,445,027,022	134,906,247,108
Hung Vuong Corporation	410,758,104,260	-	410,758,104,260
Pan-pacific Corporation	54,939,092,153	-	54,939,092,153
	1,062,004,865,058	**22,445,027,022**	**1,084,449,892,080**

14. INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES (continued)

Profit/ (Loss) from investment in associates (including (goodwill)/negative goodwill at acquisition and share of profit/(loss) from the acquisition date) charged to the consolidated income statement as at 31 December 2012 and 31 December 2011 under the equity method of accounting are shown below:

	Current year VND	*Previous year* VND
SSI Vision Fund	(6,053,150,562)	(83,591,638,990)
Ben Tre Aquaproduct Import and Export JSC	15,950,790,320	(584,637,381)
Hung Vuong Corporation	63,951,954,728	29,592,849,145
Pan-pacific Corporation	17,264,268,862	17,984,285,906
Binh Thanh Import-Export Production and Trade Joint Stock Company	2,661,385,055	-
National Seed Joint Stock Company	5,729,610,742	-
Southern Seed Joint Stock Company	(2,231,982,768)	-
Long An Food Processing Export Joint Stock Company	(9,455,381,037)	-
Electronics Communications Technology Investment Development Joint Stock Company	-	-
Transimex-Saigon Corporation	18,242,414,945	-
Net profit/(loss)	**106,059,910,285**	**(36,599,141,321)**

15. LONG-TERM PREPAID EXPENSES

	31 December 2012 VND	*31 December 2011* VND
Prepaid advisory fees	6,898,276,376	14,423,668,784
Office and equipment maintenance expense	1,963,484,017	5,858,762,426
	8,861,760,393	**20,282,431,210**

16. PAYMENT FOR SETTLEMENT ASSISTANCE FUND

	31 December 2012 VND	*31 December 2011* VND
Initial payment and annual supplements	12,513,859,767	11,620,436,954
Annual allocated interest	2,469,052,029	1,269,495,696
	14,982,911,796	**12,889,932,650**

17. SHORT-TERM BORROWINGS

	31 December 2012 VND	*31 December 2011 VND*
Short-term borrowings (*)	90,000,000,000	-
Bank overdraft (**)	267,728,021,077	-
	357,728,021,077	**-**

(*) As at 31 December 2012, the Company had a short-term borrowing at Vietnam Export Import Commercial Joint Stock Bank (Eximbank) with 2-month term to maturity and 8%-per-annum interest rate. The borrowing was secured by a 100-billion-dong deposit of the Company at Vietnam Prosperity Joint-Stock Commercial Bank.

(**) This is an overdraft at Bank for Investment and Development of Vietnam ("BIDV") which is pledged by one-year term deposits at BIDV. The interest rate of the overdraft ranges from 10.5% p.a to 10.8% p.a.

18. ADVANCES FROM CUSTOMERS

	31 December 2012 VND	*31 December 2011 VND*
Advances for advisory services	4,040,373,750	4,995,842,440
Advances for securities purchases (*)	95,009,400,000	65,009,400,000
Management fee prepaid by SSI Vision Fund to SSIAM	-	3,484,586,392
	99,049,773,750	**73,489,828,832**

(*) This balance mainly represented advances from customers to purchase shares of unlisted companies. As the ownership transfer procedures have not been completed, these stocks are still recognised in the long-term investment portfolio.

19. STATUTORY OBLIGATIONS

	31 December 2012 VND	*31 December 2011 VND*
Value added tax (VAT)	5,269,593,349	378,513,020
Corporate income tax (*)	9,111,512,048	-
Personal income tax	3,489,079,612	3,160,205,887
Other taxes	848,665,436	2,103,675,109
	18,718,850,445	**5,642,394,016**

(*) Refer to Note 31 for detailed estimation of current corporate income tax expense.

19. STATUTORY OBLIGATIONS (continued)

Summary of the Company's statutory obligations for the fiscal year ended 31 December 2012 is presented as follows:

No.	*Items*	*31 December 2011 VND*	*Payable in the period VND*	*Paid in the period VND*	*31 December 2012 VND*
I	**Tax**	**2,294,668,712**	**128,404,309,841**	**112,445,094,356**	**18,253,884,197**
1	Value added tax on domestic goods and services	378,513,020	8,110,026,832	3,218,946,503	5,269,593,349
2	Value added tax on imported goods	-			
3	Import tax	-			
4	Corporate income tax (*)	(3,347,725,304)	82,746,476,426	70,752,205,322	8,646,545,800
5	Land tax	-	-	-	-
6	Land Rentals	-	-	-	-
7	Other taxes	5,263,880,996	37,547,806,583	38,473,942,531	4,337,745,048
	- *Personal income tax*	*2,748,793,957*	*16,988,814,460*	*16,657,958,392*	*3,079,650,025*
	- *PIT of investors*	*411,411,930*	*8,251,391,798*	*8,253,374,141*	*409,429,587*
	- *Business registration tax*	-	*14,000,000*	*14,000,000*	-
	- *Others*	*2,103,675,109*	*12,293,600,325*	*13,548,609,998*	*848,665,436*
II	**Other payables**	**-**	**992,236**	**992,236**	**-**
1	Fees and charges	-	-	-	-
2	Others	-	992,236	992,236	-
		2,294,668,712	**128,405,302,077**	**112,446,086,592**	**18,253,884,197**

(*) Payable Corporate income tax for the year 2012 includes prepaid corporate income tax of subsidiaries and additional tax obligation in pursuant to Tax Finalization. Refer to Note 10 and Note 30.1 for more details.

20. ACCRUED EXPENSES

	31 December 2012 VND	*31 December 2011 VND*
Accrued convertible bond interest expenses	594,967,678	-
Accrued payables to Stock Exchange and Securities Custody Center	2,160,248,269	2,159,660,934
Payable to Custodian Bank	23,350,000	21,000,000
Payables to PVFC	7,755,626	7,755,626
Accrued expenses on repurchase contracts and cooperation contracts	793,804,982	1,579,498,264
Payable in relation with bond brokerage contracts	2,267,577,777	-
Accrued training, seminars and consulting expenses	425,000,000	260,000,000
Accrued audit fee	881,658,000	896,079,600
Commission to partners	741,039,893	1,011,901,617
Others	1,288,388,328	246,427,512
	9,183,790,553	**6,182,323,553**

21. OTHER SHORT-TERM PAYABLES

	31 December 2012 VND	*31 December 2011 VND*
Payables under repurchase contracts (*)	17,690,685,976	155,589,925,000
Payables under cooperation contracts (**)	48,914,282,437	204,905,766,183
Payables to foreign customers	1,065,450,092	13,175,868,406
Short-term deposits of investors (***)	1,114,504,309,449	4,685,000,000
Payables regarding securities purchases	-	36,356,801,104
Other payables	7,613,375,153	1,965,957,671
	1,189,788,103,107	**416,679,318,364**

(*) Payables under repurchase contracts are cash receipts when the Company sells securities in accordance with repurchase contracts. Details of underlying securities are listed in Note 37.5.

(**) These are payables related to business cooperation contracts between the Company and its customers, accordingly the customers transfer cash to the Company and are entitled to a certain interest as agreed in the contracts.

(***) Short-term deposits of investors represents cash deposits of customers related to bond brokerage contracts. The Company has commitment to use the deposits to buy securities as requested by the clients. In case, the Company fails to fulfil its obligation within the contracted term, it has to refund the deposit plus interest premium as stated in the agreement.

22. PAYABLES TO SECURITIES TRADING ACTIVITIES

	31 December 2012 VND	*31 December 2011 VND*
Payable to Ho Chi Minh City Stock Exchange	239,504,169,800	21,916,153,444
Securities trading payables to investors	672,221,482,487	555,811,471,398
- *Deposits for securities trading of investors at head office*	*430,170,380,600*	*415,294,012,656*
- *Deposits for securities trading of investors at Hanoi branch*	*144,166,669,044*	*60,188,344,404*
- *Deposits for securities trading of investors at other branches and offices*	*97,884,432,843*	*80,329,114,338*
	911,725,652,287	**577,727,624,842**

23. DIVIDEND AND INTEREST PAYABLES

	31 December 2012 VND	*31 December 2011 VND*
Dividend and coupon payables to other shareholders	521,820,784	4,045,926,173
Dividends payable to SSI shareholders	3,953,103,066	2,430,992,250
	4,474,923,850	**6,476,918,423**

24. BONUS AND WELFARE FUND

	Year 2012 VND	*Year 2011 VND*
Opening balance	90,064,800,637	69,431,253,766
Creation of bonus and welfare fund	-	50,701,098,116
Utilization of bonus and welfare fund	(14,999,224,549)	(30,067,551,245)
Ending balance	**75,065,576,088**	**90,064,800,637**

Bonus and welfare fund are mainly utilized for rewarding and paying bonus to the Company's Management and employees, as well as other welfare purposes.

25. FUNDS RECEIVED FROM TRUST INVESTORS

	31 December 2012 VND	*31 December 2011 VND*
Funds received from trust investment portfolio management contracts *(*)*	-	122,504,095,276
	-	**122,504,095,276**

(*) All trust management contracts were managed by SSI Asset Management Company Limited, a subsidiary of the Company. In accordance with Circular No.125/2011/TT-BTC dated 05 September 2011 issued by Ministry of Finance providing guidance on accounting applicable for fund management companies, taking effective since 01 January 2012, deposits, securities, investment portfolio and account receivables and payables of trust investors as well as trust capital received will be managed off-balance sheet instead of being recognized on the consolidated balance sheet.

26. OWNERS' EQUITY

26.1 *Changes in Owners' Equity*

Movement of the Company's equity for the fiscal year end 31 December 2012 is as follows:

	Chartered capital	*Share premium*	*Other owners' capital*	*Treasury shares*	*Financial and statutory reserves*	*Undistributed earnings*	*Total*
	VND	*VND*		*VND*	*VND*	*VND*	*VND*
For the period ended 31 December 2012							
As at 1 January 2012	3,526,117,420,000	340,921,476,378	383,614,879	(88,591,286,000)	289,383,181,436	1,012,450,891,924	5,080,665,298,616
Adjustment of Corporate Income Tax due to Tax Finalization for year 2010	-	-	-	-	-	(182,594,264)	(182,594,264)
Dividend payable in accordance with Resolution No. 01/2012/NQ-DHDCD dated 20 April 2012	-	-	-	-	-	(349,564,842,000)	(349,564,842,000)
Purchases of treasury shares	-	-	-	(654,900,000)	-	-	(654,900,000)
Increase in other capital due to associates purchased treasury shares	-	-	(2,989,292,649)	-	-	-	(2,989,292,649)
Profit after tax for the period ended 31 December 2012	-	-	-	-	-	464,299,378,161	464,299,378,161
As at 31 December 2012	**3,526,117,420,000**	**340,921,476,378**	**(2,605,677,770)**	**(89,246,186,000)**	**289,383,181,436**	**1,127,002,833,821**	**5,191,573,047,865**

Ho Chi Minh City Stock Exchange approved SSI to purchase 3,000,000 of its shares in accordance with Official Letter No. 2235/2010/SGDHCM-NY dated 01 December 2010. In addition, according to Official Letter No. 434/2012/SGDHCM-NY dated 14 March 2012, the Ho Chi Minh City Stock Exchange also approved the Company's repurchasing of shares from its employees, together with repurchase of 46,900 shares to correct errors in securities transactions. As at 31 December 2012, total number of treasury shares was 3,046,900 shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2012 and for the fiscal year then ended

26. OWNERS' EQUITY (continued)

26.1 *Changes in Owners' Equity* (continued)

Movement of the Company's equity for the fiscal year end 31 December 2011 is as follows:

	Owners' equity VND	*Share premium VND*	*Other owners' equity VND*	*Treasury shares VND*	*Financial and statutory reserves VND*	*Undistributed earnings VND*	*Total VND*
For the fiscal year ended 31 December 2011							
As at 01 January 2011	3,511,117,420,000	340,921,476,378	-	(12,365,677,000)	220,524,469,842	1,399,114,338,962	5,459,312,028,182
Capital supplement due to issuance of additional shares	15,000,000,000	-	-	-	-	-	15,000,000,000
Creation of statutory and financial reserve for 2010 according to resolution of Shareholders Meeting	-	-	-	-	68,858,711,594	(68,858,711,594)	-
Creation of welfare fund according to resolution of Shareholders Meeting	-	-	-	-	-	(50,701,098,116)	(50,701,098,116)
Distribution of 10% dividend for 2010 - under Resolution No. 01/2011/NQ-DHDCD dated 28 April 2011	-	-	-	-	-	(348,111,742,000)	(348,111,742,000)
Adjustment of Corporate Income Tax due to Tax Finalization for year 2010	-	-	-	-	-	1,929,271,735	1,929,271,735
Purchases of treasury shares	-	-	-	(76,225,609,000)	-	-	(76,225,609,000)
Tax addition for the year 2010 in accordance with Decision No. 4992/QD-CT of Tax Department	-	-	-	-	-	(50,179,757)	(50,179,757)
Purchases of treasury shares of associates	-	-	383,614,879	-	-	-	383,614,879
Loss after tax for the fiscal year ended 31 December 2011	-	-	-	-	-	79,129,012,745	79,129,012,745
As at 31 December 2011	**3,526,117,420,000**	**340,921,476,378**	**383,614,879**	**(88,591,286,000)**	**289,383,181,436**	**1,012,450,891,924**	**5,080,665,298,616**

26. OWNERS' EQUITY (continued)

26.2 *Additional information for Statement of Changes in Owners' Equity*

Items	*Note*
1 - Dividend proposed or announced after the report date but before the issuing date	None
2 - Cumulative unrecorded dividend of preference stocks	None
3 - Incomes and expenses, profit or loss that are recognized directly into Owners' Equity	None

26.3 *Treasury shares*

	31 December 2012	*31 December 2011*
Number of shares allowed to issue	**352,611,742**	**352,611,742**
Number of shares issued	**352,611,742**	**352,611,742**
Issued shares whose capital was fully contributed	352,611,742	352,611,742
- *Ordinary shares*	*352,611,742*	*352,611,742*
- *Preference shares*	-	-
Issued shares whose capital was not fully contributed	-	-
- *Ordinary shares*	-	-
- *Preference shares*	-	-
Number of treasury shares	**(3,046,900)**	**(3,000,000)**
Treasury shares held by the Company	(3,046,900)	(3,000,000)
- *Ordinary shares*	*(3,046,900)*	*(3,000,000)*
- *Preference shares*	-	-
Treasury shares held by subsidiaries of the Company	-	-
- *Ordinary shares*	-	-
- *Preference shares*	-	-
Number of shares under circulation	**349,564,842**	**349,611,742**
- *Ordinary shares*	*349,564,842*	*349,611,742*
- *Preference shares*	-	-

27. REVENUE

	Current year VND	*Previous year VND*
Revenue from business operations	**849,294,221,184**	**848,048,772,890**
Revenue from brokerage services	105,807,913,215	96,005,005,216
Revenue from securities investments and capital contribution	276,558,485,135	227,702,451,908
- *Dividends*	*65,757,337,279*	*102,012,851,566*
- *Bond coupons*	*72,002,225,568*	*76,681,221,020*
- *Gains from sales of shares and bond*	*85,917,525,175*	*27,069,379,734*
- *Gains from securities portfolio trusted to SSIAM*	*50,465,311,002*	*21,062,545,191*
- *Gains from other investment activities*	*2,416,086,111*	*876,454,397*
Revenue from underwriting services	-	6,420,000,000
Revenue from securities underwriting agency	29,061,000	-
Revenue from investment portfolio management services for trust investors	15,519,110,635	18,328,050,969
Revenue from advisory services	79,784,442,039	38,076,296,310
Revenue from securities custody services	5,191,757,059	2,487,230,802
Revenue from property lease	12,559,455,663	4,478,427,405
Others	353,843,996,437	454,551,310,280
- *Deposit interest*	*297,101,205,062*	*349,915,821,340*
- *Revenue from financing services*	*53,155,079,622*	*76,286,827,390*
- *Others*	*3,587,711,753*	*28,348,661,550*
Deductions	-	**(5,850,000)**
Net revenue	**849,294,221,184**	**848,042,922,890**

28. OPERATING EXPENSES

	Current year VND	*Previous year VND*
Brokerage and custody expenses	28,851,815,161	27,024,047,794
Securities investment expenses	124,144,793,033	112,128,653,441
Provision expenses/(reversion)	(60,751,580,173)	169,021,552,430
Capital costs	123,110,036,639	96,018,703,656
Investment advisory, financial advisory and other advisory expenses	940,350,000	403,560,250
Other direct expenses for operating activities	238,228,934,381	252,177,221,777
- *Staff costs*	*118,250,738,862*	*112,668,098,962*
- *Office supplies*	*2,762,294,400*	*3,014,796,536*
- *Depreciation and amortization*	*33,254,687,924*	*36,429,144,908*
- *Outsourced services*	*54,439,248,999*	*65,943,561,622*
- *Office rental*	*27,447,845,880*	*32,629,956,289*
- *Other expenses*	*2,074,118,316*	*1,491,663,460*
	454,524,349,041	**656,773,739,348**

29. GENERAL AND ADMINISTRATIVE EXPENSES

	Current year VND	*Previous year VND*
Staff costs	9,131,007,751	9,113,451,121
Depreciation and amortization	334,425,000	334,425,000
Provision expense	7,781,367,123	17,936,746,575
Outsourced services	744,832,200	554,236,050
	17,991,632,074	**27,938,858,746**

30. OTHER INCOMES, OTHER EXPENSES

	Current year VND	*Previous year VND*
Other incomes		
Gains from asset disposals	1,709,721,479	-
Gains from contract penalties	3,146,645,861	-
Others	222,913,745	553,902,871
	5,079,281,085	**553,902,871**
Other expenses		
Losses from asset disposals	(651,003,553)	-
Others	(7,796,680)	(680,706,469)
	(658,800,233)	**(680,706,469)**
	4,420,480,852	**(126,803,598)**

31. CORPORATE INCOME TAX

Current corporate income tax

The Company is entitled to an exemption from Corporate income tax (CIT) for 2 years from the first year of earning profit and a 50% deduction of CIT for the following 3 years. The Company's first year of earning profit was 2001. The Company is also subject to the CIT rate of 20% for the period of 10 years from 1999, the first year of operation. The year 2009 is the last year the Company enjoys such CIT rate. The CIT rate applicable for following years is 25%.

According to the Official Letter No. 11924/TC-CST dated 20 October 2004 and the Official Letter No. 5428/TC-CST dated 29 April 2005 issued by Ministry of Finance, newly listed companies are entitled to 50% deduction of CIT for 2 years from the first year being listed. The Company has been listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) since 15 December 2006; accordingly the CIT rate of the Company in 2009 is 20% (2008:10%). Since 2010, the Company's tax rate is 25%.

The Company's tax reports are subject to examination by the tax authorities. As the application of tax laws and regulations to various types of transactions is susceptible to various interpretations, the amounts reported in the financial statements are subjected to later change according to final determination of the tax authorities.

31. CORPORATE INCOME TAX (continued)

31.1 *Current corporate income tax* (continued)

The current tax liability is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expenses that are taxable or deductible in other years as well as items which are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

The estimated current corporate income tax for the fiscal year end 31 December 2012 and the fiscal year end 31 December 2011 is represented in the table below:

	Current year VND	*Previous year VND*
Profit/(loss) before tax	**487,258,631,205**	**126,604,379,877**
Adjustments	**(163,143,237,565)**	**(216,926,467,105)**
Adjustments to increase accounting profit	210,987,995,176	82,304,498,347
- *Loss from associates (*)*	-	*36,599,141,321*
- *Provision balance for unlisted shares at the balance sheet date*	*177,751,666,705*	*45,025,264,646*
- *Provision for Vinashin bonds*	*33,000,000,000*	-
- *Non-deductible expenses*	*236,328,471*	*680,092,380*
Adjustments to decrease accounting profit	(374,131,232,741)	(299,230,965,451)
- *Profit from subsidiaries*	*(19,707,573,843)*	*(17,488,856,427)*
- *Profit from associates (*)*	*(106,059,910,284)*	-
- *Income from CIT exempted activities – Dividends*	*(65,072,337,279)*	*(100,209,611,566)*
- *Reversion of provision expenses for unlisted shares in the previous year*	*(45,025,264,646)*	*(20,109,396,533)*
- *Reversion of provision expenses of associates*	*71,892,050,758*	*(160,611,417,925)*
- *Loss carried forward from previous year*	*(90,322,087,228)*	-
- *Cancellation of the loss of securities trading of associates in the separate financial statements*	*(119,836,110,219)*	-
- *Severance benefit expenses created before 2008, taxable in the current year*	-	*(811,683,000)*
Estimated current taxable income	**324,115,393,640**	**(90,322,087,228)**
- Estimated CIT expenses of the parent company	81,028,848,410	-
- Estimated CIT expenses of the subsidiaries	1,535,033,752	*3,937,863,518*
Current CIT payable	**82,563,882,162**	**3,937,863,518**
Opening CIT Payables	**(3,347,725,304)**	**17,494,080,073**
CIT Adjustment due to CIT Finalization	182,594,264	(1,929,271,735)
Tax addition for the year 2010 in accordance with Decision No. 4992/QD-CT of Tax Department	-	50,179,757
CIT paid in the period	(70,752,205,322)	(22,900,576,918)
Ending CIT payables	**8,646,545,800**	**(3,347,725,304)**

(*): Accounted for using equity method (exclusive of actual profit receipts).

31. CORPORATE INCOME TAX (continued)

31.1 *Current corporate income tax* (continued)

Tax losses 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 end of the fiscal year 2011, the Company had a tax loss amounting to VND 90,322,087,228 available for offset against future taxable profits. Details are as follows:

Originating year	*Can be carried to*	*Tax loss amount (*) VND*	*Utilized up to 31/12/2012 VND*	*Unutilized at 31/12/2012 VND*
2011	2016	(90,322,087,228)	(90,322,087,228)	-
Total		**(90,322,087,228)**	**(90,322,087,228)**	-

(*) Estimated tax loss for the fiscal year ended 31 December 2011 has not been settled by the local tax authorities at the balance sheet date.

31.2 *Deferred corporate income tax*

Deferred income tax asset

Movement of deferred tax asset for the fiscal year ended 31 December 2012 is presented below:

	Current year VND	*Previous year VND*
Deferred income tax asset		
Beginning balance	8,330,545,610	5,532,841,362
Increase during the period	47,357,996,065	(202,920,750)
Deferred corporate income tax of subsidiaries	(3,000,624,998)	3,000,624,998
Ending balance	**52,687,916,677**	**8,330,545,610**

Deferred income tax liability

Movement of deferred tax liability in 2012 is presented below:

	Current year VND	*Previous year VND*
Deferred income tax liability		
Beginning balance	43,592,871,995	881,886,941
Tax on profit of subsidiaries	1,410,687,832	2,690,898,407
Tax on reversal of provision of associates	(17,851,005,451)	40,020,086,647
Ending balance	**27,152,554,376**	**43,592,871,995**

31. CORPORATE INCOME TAX (continued)

31.2 *Deferred corporate income tax* (continued)

Deferred corporate income tax expense/(income)

The Company has recognized deferred income tax expense/(income) to the consolidated income statement for the fiscal year ended 31 December 2012 and 31 December 2011 as follows:

	Current year VND	*Previous year VND*
Tax on unrealized gain of SSI Investment Member Fund	1,410,687,768	2,690,898,407
Tax on reversion of provision for investments in associates for consolidation purpose	(17,851,005,451)	40,020,086,647
Tax on increase/decrease of provision expense for unlisted securities which is non-deductible	(36,409,942,544)	(3,000,625,000)
Tax on increase of provision expense for Vinashin bonds	(8,250,000,000)	-
Deferred tax refund on the severance allowance for the year 2008	302,571,479	202,920,750
	(60,797,688,748)	**39,913,280,804**

Deferred income tax asset related to provision of unlisted securities as at 31 December 2012 will be taxed in subsequent years at 2012's tax rate of 25%.

The Company did not accrue deferred tax asset arising from provisions of unlisted shares as at 31 December 2011 because the operating result for the fiscal year ended 31 December 2011 was negative and by that time, the Company was not certain on its ability to make enough future taxable profit to realise such deferred tax asset. As at 31 December 2012, deferred tax asset on the provisions has been fully calculated and recognised.

32. NON-CONTROLLING INTERESTS

	Current year VND	*Previous year VND*
Opening balance	76,506,109,799	72,881,886,941
Additional capital contribution of non-controlling shareholders during the period	6,000,000,000	-
Share of current year's profit	1,193,059,630	3,624,222,858
Ending balance	**83,699,169,429**	**76,506,109,799**

33. TRANSACTIONS WITH RELATED PARTIES

List of related parties and their connections with Saigon Securities Incorporation is presented below:

Related party	*Relationship*
SSI Vision Fund	Associate
NDH Viet Nam Limited Company	The owner of company is a related party
SSI Real Estates Joint stock	The owner of company is a related party
NDH Vietnam Investment and Advisory Ltd. Company	The owner of company is a related party
Pan Pacific Corporation	The owner of company is a related party; Associate
ANZ Bank	Strategic shareholder
Daiwa Securities Group Inc	Strategic shareholder
Ben Tre Aquaproduct Import and Export JSC	Associate
Hung Vuong Corporation	Associate
Binh Thanh Import-Export Production and Trade Joint Stock Company	Associate
National Seed Joint Stock Company	Associate
Southern Seed Joint Stock Company	Associate
Electronics Communications Technology Investment Development Joint Stock Company	Associate
Transimex – Saigon Corporation	Associate
Long An Food Processing Export Joint Stock Company	Associate

33. TRANSACTIONS WITH RELATED PARTIES (continued)

Balances and significant transactions with related parties as at 31 December 2012 and during the fiscal year then ended are as follows:

		Receivable/(Payable)				Revenue/
Related party	*Transaction*	*Opening balance VND*	*Increase VND*	*Decrease VND*	*Ending balance VND*	*(Expense) VND*
The owner of company is a related party	Capital contribution	14,999,990,000	-	-	14,999,990,000	-
	Securities trading service fee	-	137,745,401	(137,745,401)	-	137,745,401
	Principal payables under business cooperation contracts	(90,659,184,768)	(565,676,067,951)	620,561,198,318	(35,774,054,401)	-
	Interest expense from business cooperation contracts	(268,308,139)	(3,480,859,804)	3,316,848,347	(432,319,596)	(3,480,859,804)
	Principal receivables under business cooperation contracts	-	20,000,000,000	(20,000,000,000)	-	
	Interest income from business cooperation contracts	-	96,805,556	(96,805,556)	-	96,805,556
	Deposit receivables under bond brokerage contracts	-	503,600,000,000	(231,500,000,000)	272,100,000,000	-
	Deposit payables under bond brokerage contracts	-	(36,730,000,000)	36,730,000,000	-	
	Dividend payables	-	(28,705,036,000)	28,705,036,000	-	-
	Dividend receivables		2,249,998,500	(2,249,998,500)		2,249,998,500
	Office rental	-	(12,858,675,088)	12,858,675,088	-	(12,858,675,088)
	Interest payables from bond brokerage	-	(826,443,973)	826,443,973	-	(826,443,973)
	Advisory fee on bond brokerage	-	5,000,000,000	(5,000,000,000)	-	5,000,000,000
Strategic shareholders	Dividend paid in cash	-	(97,405,840,000)	97,405,840,000	-	(97,405,840,000)
	Deposits of investors	531,443,562	9,548,460,448	(9,624,588,049)	455,315,961	-
	Demand deposit of companies	2,315,082,477	20,605,603,645	(22,556,095,697)	364,590,425	-
Associates	Brokerage fee	-	2,093,037,589	(2,093,037,589)	-	2,093,037,589
	Capital contribution by the equity method	1,062,004,865,057	587,034,791,806	(589,213,118,874)	1,059,826,537,989	-
	Transaction fee, advance to share sales	-	2,015,569,107	(2,015,569,107)	-	2,015,569,107
	Principal receivables under business cooperation contracts	7,153,858,819	185,113,522,543	(192,267,381,362)	-	-
	Interest income under business cooperation contracts	5,811,934	139,562,647	(145,374,581)	-	139,562,647
	Principal payables under business cooperation contracts	-	(17,851,954,522)	17,851,954,522	-	
	Deposits made under bond brokerage contracts	-	200,000,000,000	(200,000,000,000)	-	-
	Advisory fee on bond brokerage	-	5,637,500,000	(5,637,500,000)	-	5,637,500,000
	Advance for securities purchase	(50,100,000,000)	(30,000,000,000)	-	(80,100,000,000)	-
	Warehouse rental and service fee	(36,036,154)	(1,207,128,334)	1,243,164,488	-	(1,207,128,334)
Other related parties	Business cooperation	-	(4,159,608,733)	4,159,608,733	-	-

Transactions with other related parties

Total remuneration of members of Board of Directors and Board of Management for the year 2012 is VND 11,264,602,412 (inclusive of personal income tax and compulsory insurance).

34. BASIC EARNINGS PER SHARE

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

The Company does not calculate and present diluted earnings per share due to unavailability of relevant guidance issued by Ministry of Finance or scarcity of necessary information in the active market.

The Company used the below information for calculation of basic earnings per share:

	Current year	*Previous year*
Profit or loss after tax attributable to ordinary shareholders – VND	464,299,378,161	79,129,012,745
Weighted average of the number of ordinary share	349,577,749	348,408,905
Basic earnings per share – VND	1,328	227

35. SEGMENT INFORMATION

	Brokerage and customer services VND	*Trading activities VND*	*Treasury activities VND*	*Fund management VND*	*Investment banking and others VND*	*Total VND*
For the fiscal year ended 31 December 2012						
1. Gross revenue	164,154,991,580	382,618,395,422	300,688,675,131	15,519,110,635	92,372,958,700	955,354,131,468
2. Direct expenses	(40,894,867,665)	(65,313,033,374)	(123,527,970,558)	(1,701,901,014)	(3,238,207,851)	(234,675,980,462)
3. Depreciation and allocated expenses	(134,904,542,504)	(25,503,458,428)	(14,103,345,699)	(26,721,731,831)	(32,186,441,339)	(233,419,519,801)
Profit before tax	**(11,644,418,589)**	**291,801,903,620**	**163,057,358,874**	**(12,904,522,210)**	**56,948,309,510**	**487,258,631,205**
As at 31 December 2012						
1. Direct segment assets	1,100,542,097,507	3,376,438,689,607	3,115,915,100,484	96,212,138	34,270,419,489	7,627,262,519,225
2. Allocated segment assets	114,739,436,598	14,805,088,593	3,084,393,457	17,272,603,359	17,889,482,050	167,791,004,057
3. Unallocated assets	-	-	-		-	185,822,378,593
Total asset	**1,215,281,534,105**	**3,391,243,778,200**	**3,118,999,493,941**	**17,368,815,497**	**52,159,901,539**	**7,980,875,901,875**
1. Direct segment liabilities	916,136,808,643	104,175,484,894	1,542,493,649,377	-	6,864,194,257	2,569,670,137,171
2. Allocated segment liabilities	51,367,903,161	6,628,116,537	1,380,857,612	7,732,802,626	8,008,974,149	75,118,654,085
3. Unallocated liabilities	-	-	-	-	-	60,814,893,365
Total liabilities	**967,504,711,804**	**110,803,601,431**	**1,543,874,506,989**	**7,732,802,626**	**14,873,168,406**	**2,705,603,684,621**

36. COMMITMENTS AND CONTINGENCIES

36.1 *Operating lease commitment*

The Company leases office under operating lease arrangements. Rentals are determined on basis of contracted price effective on 31 December 2012. As at 31 December 2012, the rental payable under the operating lease agreements is as follows:

	31 December 2012 *VND*	*31 December 2011* *VND*
Less than 1 year	23,197,788,906	24,863,298,120
From 1 - 5 years	50,011,018,221	63,931,012,480
More than 5 years	-	-

36.2 *Margin service*

The Company's commitment to provide funds under outstanding margin contracts as at 31 December 2012 and 31 December 2011 are as follows:

Branch	*31 December 2012* *VND*	*31 December 2011* *VND*
Head office (Ho Chi Minh City)	12,098,963,670	2,466,749,515
Hanoi	8,338,774,355	4,524,849,695
Hai Phong	831,983,430	135,861,803
Nguyen Cong Tru	2,595,861,130	270,225,814
Nha Trang	278,041,702	69,622,417
Vung Tau	204,588,404	30,565,645
Quang Ninh	-	55,284,865
My Dinh	347,365,970	151,880,195
	24,695,578,661	**7,705,039,949**

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, payables to suppliers and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has cooperation contracts, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company also holds short-term and available-for-sale investments. The Company does not hold or issue derivative financial instruments.

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

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

Management reviews and agrees policies for monitoring each of the risks associated with business activities which are summarized below.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.1 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. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, short-term and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2012 and 31 December 2011.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, the Management assumed that the sensitivity of the balance sheet relates to available-for-sale debt instruments; the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks based on the financial assets and financial liabilities held by the Company and its subsidiaries at 31 December 2012 and 31 December 2011.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cooperation contracts, trade and other receivables, cash and short-term deposits and financial loans and borrowings. These investments are mainly short term in nature and they are not held for speculative purposes. Financial liabilities have fixed interest rates.

The Company manages interest rate risk by looking at the competitive structure of the market to identify a proper interest rate policy which is favorable for its purposes within its risk management limits.

Interest rate sensitivity

No analysis on interest sensitivity was performed for the fiscal year ended 31 December 2012 since a significant portion of borrowings had fixed interest rate during that period.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in which revenue or expense is denominated in a different currency from the Company's accounting currency.

Foreign currency sensitivity

At the reporting date, SSI International Corporation possessed USD 5,064,383.83, equivalent to VND 105,389,827,502. The 10% increase (or decrease) of the interbank exchange rate possibly results in an increase (or decrease) of VND 10,538,982,750 in the Company's profit.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.1 Market risk (continued)

Foreign currency sensitivity (continued)

The Company also held USD 51,155, equivalent to VND 1,065,450,092, of some foreign investors. This amount is classified in Other short-term payables on the consolidated balance sheet. The increase (or decrease) at 10% of the exchange rate may result in a decrease (or increase) of VND 106,545,009 in the Company's total assets and liabilities. Its profit is not affected.

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.

At the reporting date, the fair value of listed shares is VND 557,376,403,902 (at 31 December 2011: VND 793,579,840,028). The 10% increase (or decrease) of market index possibly results in a respective increase (or decrease) of the Company's investment income, depending on its magnitude and length as well as the Company's ownership position of securities which have significant influence on market index.

37.2 Commodity price risk

The Company is not exposed to commodity price risk.

37.3 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Investment in debt securities

Credit risk associated with investment in debt securities are managed by the Company based on its policy, procedure and control steps over securities investments. At each of reporting date, the Company assesses its exposure to credit risk related to investments in debt securities basing on market information and recoverability of the investments.

Trade receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. Due to the fact that the Company's receivables relate to a large number of diversified customers and corresponding collateral assets, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's accounting and treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting date is the book value. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.4 Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents deemed adequate by the 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 liabilities based on contractual undiscounted payments:

	On demand	*Less than 3 months*	*3 – 12 months*	*1 – 5 years*	*Total*
As at 31 December 2012					
Loans and borrowing	267,728,021,077	90,000,000,000	-	-	357,728,021,077
Payables relating to securities trading activities	672,221,482,487	239,504,169,800	-	-	911,725,652,287
Accrued expenses	562,422,714	8,131,136,939	490,230,900	-	9,183,790,553
Other payables	4,624,449,596	1,185,163,653,511	-	-	1,189,788,103,107
	945,136,375,874	**1,522,798,960,250**	**490,230,900**	**-**	**2,468,425,567,024**
As at 31 December 2011					
Loans and borrowing	-	-	-	-	-
Payables relating to securities trading activities	555,811,471,398	21,916,153,444	-	-	577,727,624,842
Accrued expenses	3,501,916,461	2,515,367,192	165,039,900	-	6,182,323,553
Other payables	220,047,509,259	196,631,809,105	-	-	416,679,318,364
	779,360,897,118	**221,063,329,741**	**165,039,900**	**-**	**1,000,589,266,759**

The Company assessed the concentration of risk with respect to refinancing its debt, payables regarding securities trading activities are investors' deposits which are monitored separately from the Company's deposits and for which the Company always maintains an available cash balance at banks.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.5 Collaterals

At the reporting date, the Company was participating in repurchase agreements with 9-month term to maturity. The contractual underlying assets were bonds issued by credit institutions with total book value of VND 20,132,645,562. Total aggregated selling price was VND 16,000,000,000 and corresponding repurchase price was VND 16,380,200,000.

The Company also held shares as collaterals for customer receivables as at 31 December 2012 and 31 December 2011.

38. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES UNDER CIRCULAR NO. 210/2009/TT-BTC

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") with effectiveness from financial years beginning on or after 1 January 2011. Circular 210 provides definitions of financial instruments, including financial assets and financial liabilities; derivative financial instruments and equity instruments as well as the classification, presentation and disclosures of these instruments.

The Circular 210 only regulates the presentation of financial statements and disclosures of financial instruments, therefore, the following definitions of financial assets, financial liabilities and other relating definitions are applied solely for the preparation of this Note. The Company's assets and liabilities are still recognized and recorded in accordance with Vietnamese Accounting Standards and System applicable to securities companies, the accounting policies applicable to the securities company as prescribed in Circular No. 95/2008/TT-BTC dated October 24, 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by Ministry of Finance and comply with relevant statutory requirements.

Financial assets

In accordance with the Circular 210/2009/TT-BTC, financial assets of the Company and its subsidiaries include cash, deposits at credit institutions, trading securities, investment securities, receivables and underlying assets under monetary derivative contracts.

Financial assets 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:

38. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES UNDER CIRCULAR NO. 210/2009/TT-BTC (continued)

Financial assets (continued)

- ***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 near 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 an effective hedging instrument).

b) Upon initial recognition, it is designated by the Company 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.

- ***Receivalbes***

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; and

c) financial assets at fair value through profit or loss.

38. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES UNDER CIRCULAR NO. 210/2009/TT-BTC (continued)

Financial liabilities

According to the Circular No 210/2009/TT-BTC, financial liabilities of the Company includes borrowings, payables and payables under monetary derivative contracts.

Financial liabilities within the scope of Circular 210/2009/TT-BTC 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 near 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 Company 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.

Offsetting of financial assets and financial liabilities

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

Fair value of financial instruments

The Company uses the followings assumptions to determine the fair value:

- Fair value of cash and short-term deposits, customer receivables, payables to suppliers and other short-term debts will be approximate to the book value of those items due to their short-term nature.
- Fair value of receivables is valuated on basis of market situation and customers' possibility to fulfill their obligation. Basing on the valuation, the Company estimates provision for the part of receivable which is subject to default risk. As at 31 December 2012, book value of receivables less provision is not materially different from fair value.
- Fair value of listed securities is determined based on quoted prices, if available, on active trading market.
- Value of unlisted securities is determined based on price quotations or net asset value/book value of issuers, quotations on investment journals. In case, price quotations from reliable and prestigious sources are not available, fair value will be stated at book value.

38. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES UNDER CIRCULAR NO. 210/2009/TT-BTC (continued)

Set out below is a comparison of book value and fair value of the Company's financial instruments as presented in the financial statements:

VND

	Book value				Fair value	
	As at 31 December 2012		As at 31 December 2011			
	Cost	Provision	Cost	Provision	31 December 2012	31 December 2011
Financial assets						
Financial assets at fair value through profit and loss	2,292,163,797,758	(194,353,925,227)	1,053,037,748,335	(303,123,545,515)	2,118,646,503,055	765,200,929,998
- *Trading securities*	*589,163,797,758*	*(194,353,925,227)*	*1,052,561,099,307*	*(303,123,545,515)*	*415,646,503,055*	*764,724,280,970*
Listed shares	477,229,343,888	(147,309,314,209)	873,223,160,334	(292,141,620,515)	350,756,660,202	596,368,266,997
Unlisted shares	99,434,453,871	(47,044,611,018)	93,173,000,000	(10,981,925,000)	52,389,842,853	82,191,075,000
Bonds (*)	12,500,000,000	-	86,164,938,973	-	12,500,000,000	86,164,938,973
- *Held-to-maturity investments*	*1,703,000,000,000*	-	*476,649,028*	-	*1,703,000,000,000*	*476,649,028*
Term deposits	1,703,000,000,000	-	476,649,028	-	1,703,000,000,000	476,649,028
Other short-term investments	-	-	-	-	-	-
Customer receivables and other receivables	846,688,657,747	(66,184,835,634)	413,336,477,680	(17,936,746,575)	780,503,822,113	395,399,731,105
Available-for-sale financial assets	1,056,730,351,972	(82,059,042,586)	1,128,856,979,464	(166,853,124,408)	978,312,318,590	965,167,175,937
- *Available-for-sale investments*	*1,056,730,351,972*	*(82,059,042,586)*	*1,128,856,979,464*	*(166,853,124,408)*	*978,312,318,590*	*965,167,175,937*
Listed shares	258,115,910,455	*(53,348,175,958)*	346,141,584,971	(133,643,284,762)	*206,619,743,701*	215,661,621,090
Unlisted shares	131,989,207,174	*(28,710,866,628)*	87,791,294,397	(14,220,179,920)	*105,067,340,546*	73,571,114,477
Bonds	666,625,234,343	-	694,924,100,096	(18,989,659,726)	*666,625,234,343*	675,934,440,370
Other long-term investments	548,616,990,000	(93,178,900,000)	749,788,390,000	(833,500,000)	455,438,090,000	748,954,890,000
Cash and cash equivalents	1,947,090,450,986	-	1,945,764,811,547	-	1,947,090,450,986	1,945,764,811,547
Total	**6,691,290,248,463**	**(435,776,703,447)**	**5,290,784,407,026**	**(488,746,916,498)**	**6,279,991,184,744**	**4,820,487,538,587**
Financial liabilities (*)						
Loans and borrowings	357,728,021,077	-	-	-	357,728,021,077	-
Payables to securities trading activities	911,725,652,287	-	577,727,624,842	-	911,725,652,287	577,727,624,842
Payable to securities issuers	605,427,160	-	605,427,160	-	605,427,160	605,427,160
Accrued expense	9,183,790,553	-	6,182,323,553	-	9,183,790,553	6,182,323,553
Fund received from trust investors	-	-	122,504,095,276	-	-	122,504,095,276
Other payables	1,195,006,742,142	-	423,733,327,972	-	1,195,006,742,142	423,733,327,972
Total	**2,474,249,633,219**	**-**	**1,130,752,798,803**	**-**	**2,474,249,633,219**	**1,130,752,798,803**

(*) Fair value of these items is stated as book value since available information is insufficient to determine the fair value.

39. EVENT AFTER THE BALANCE SHEET DATE

On 31 January 2013, the Company completed the employee stock ownership plan in order to increase its chartered capital to VND 3,537,949,420,000 (three thousand five hundred and thirty seven billion nine hundred and forty nine million four hundred and twenty thousand dong). The Company has fulfilled necessary procedures to increase its chartered capital and been granted the Amended Business License No.09/GPDC-UBCK dated 01 March 2013 by Chairman of the State Securities Commission and effective since 01 March 2013.

Preparer	*Approver*	*Approver*
Ms. Hoang Thi Minh Thuy	Ms. Nguyen Thi Thanh Ha	Mr. Nguyen Duy Hung
Chief Accountant	Chief Financial Officer	Chief Executive Officer

Ho Chi Minh City, Vietnam

22 March 2013