



2013 ANNUAL GENERAL MEETING REPORT

2013 HSC REVIEW OF OPERATIONS

I. RESULTS OF OPERATION

In 2013, Vietnam's stock market showed positive development with some changes in operating policies and market management by the Government, which enhanced investors' confidence in the market.

The average daily trading value in 2013 reached VND 1,400 billion, 8% higher than that of VND 1,300 billion in 2012 and 7% lower than target level of VND 1,500 billion.

HSC continues to hold the top position in the market over the past two consecutive years as our brokerage market share increased from 10.4% in 2012 to 12.2% in 2013.

HSC's market share is presented as follow:

HSC's Market Share	FY2013	Ranking FY2013	FY2012	Ranking FY2012	% increase
Per Stock Exchanges					
HOSE	13,3%	1	11,8%	1	13%
HNX	9,2%	1	8,4%	1	9%
Total HSC	12,2%	1	10,4%	1	17%
Per Client Type					
Institution Client	4,5%	N/A	3,2%	2	39%
Private Client	7,5%	1	7,0%	1	7%
Prop-book	0,3%	N/A	0,2%	N/A	32%
Total HSC	12,2%	1	10,4%	1	17%
Total Market Foreign Trading					
HSC's Foreign Trading	32,1%	N/A	24,6%	2	30%

2013 Results

HSC snapshot	FY 2013	FY 2012	% Change	Plan 2013	% actual/plan 2013
Statement of income (VND million)					
Revenues	634,760	562,372	13%	567,282	112%
Operating expenses	260,049	255,685	2%	250,939	104%
Net operating profit	374,711	306,686	22%	316,343	118%
Other profit/(loss)	718	158	355%	-	
Profit before tax	375,428	306,844	22%	316,343	119%
Profit after tax	282,174	246,381	15%	237,257	119%
Balance sheet at year end (VND million)					
Total assets	3,127,781	3,198,935	-2%	3,352,111	93%
Shareholders' equity	2,247,348	2,162,514	4%	2,281,143	99%
Financial indicators					
Total expenses/Total fee income	117.1%	157.4%		129.1%	
Return on average assets (ROAA)	8.9%	8.5%		7.7%	
Return on average equity (ROAE)	12.8%	11.8%		10.7%	
Equity's value					
Number of shares	127,249,720	100,565,957	27%	100,565,957	127%
Earning per share - VND	2,241	1,979	13%	2,359	95%
Book value per common shares - VND	17,661	21,503	-18%	22,683	78%
Dividends - VND	1,700 (*)	2,000	-15%	N/A	N/A
Market price at balance sheet date - VND	24,500	21,600	13%	N/A	N/A
P/E	10.9	10.9	0%	N/A	N/A
P/B	1.4	1.0	38%	N/A	N/A
Market capital - VND Million	3,117,618	2,172,225	44%	N/A	N/A
Total shareholder return	51%	69%			

(*): Estimated for Y2013 and subject to final approval

Total revenues of HSC in 2013 were VND 635 billion, 13% higher than 2012 and achieved 112% of the year's target.

Divisional revenues and their proportions in HSC's total revenues are as follow:

	FY 2013	FY 2012	% Change	Plan 2013	% actual/plan 2013
Private Client Division	263,383	272,076	-3%	276,920	95%
Institutional Client Division	121,847	61,984	97%	67,513	180%
Corporate Finance Division	22,556	9,577	136%	38,000	59%
Equity Investment Function	84,944	22,275	281%	47,094	180%
Treasury Function	142,120	196,857	-28%	137,755	103%
Total Revenues	634,760	562,372	13%	567,282	112%
Private Client Division	41%	48%		49%	
Institutional Client Division	19%	11%		12%	
Corporate Finance Division	4%	2%		7%	
Equity Investment Function	13%	4%		8%	
Treasury Function	22%	35%		24%	
Total Revenues	100%	100%		100%	

In 2013, revenues of Equity Investment Function and Institutional Client Division soared in value and proportion of total revenues; while Treasury Function's revenue decreased due to the reduction of interest rates in the market.

Fee income (including brokerage fee, services fee and corporate finance advisory fee) almost covered the operating expenses in 2013 and was higher than that of 70% in 2012.

Operating expenses in 2013 were well under control, expanding by 2% y/y and were much lower compared with revenue growth of 13%.

Corporate income tax rate in 2013 increased from 20% to 25% due to the termination of a tax preferential period after 10 years of operation, which has impacted HSC's profit after tax.

Profit after tax reached VND 282 billion, increased by 15% y/y and 19% higher than target of 2013.

Return on average equity (ROAE) achieved 12.8%, which was the highest among peer companies and showed the efficiency in generating profits from shareholders' equity.

Earnings per share (EPS) was VND 2,241 compared with VND1,979 in 2012 after the increase of charter capital by an issuance of bonus shares with ratio of 25% at the end of 2013.

HCM's Total Shareholders' Return Rate (TSR) achieved 51% in 2013 including cash dividend, bonus shares (25%), and stock price appreciation during the year. This made HCM share a valuable investment when average interest rate for 2013 was only 7.5% pa.

DIVISIONAL PERFORMANCE ANALYSIS

1. PRIVATE CLIENT DIVISION

Private Client Division (VND mil)	FY 2013	FY 2012	% change	Plan 2013	% to Plan 2013
Total revenues	263,383	272,076	-3%	276,920	95%
Brokerage	108,252	103,057	5%	119,520	91%
Margin income	151,076	165,217	-9%	156,400	97%
Subtotal	259,328	268,274	-3%	275,920	94%
Other income	4,055	3,803	7%	1,000	406%
Direct expense	94,707	102,459	-8%	101,708	93%
Indirect expense	38,824	37,611	3%	42,975	90%
Total expenses	133,531	140,070	-5%	144,683	92%
Profit before tax	129,853	132,006	-2%	132,237	98%
% of HSC's total revenues	41.4%	48.4%			

Revenues from Private Client Division reached VND 263 billion, accounted for 41% of total HSC's revenues, playing its role as HSC's core business line. Revenues from Private Client Division in FY2013 decreased by 3% y/y mainly due to a 9% drop in margin trading income while brokerage fee increased by 5% at the same time.

1.1 Brokerage fee

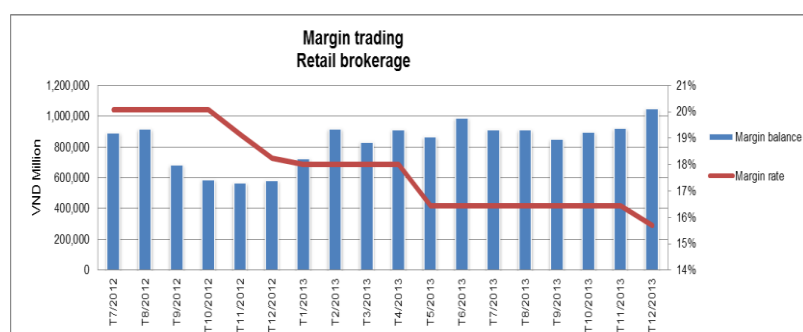
Brokerage fee increased as a results of increase in Retail brokerage market share from 7.0% to 7.5% and average trading value grew by 8% compared with 2012.

All transaction offices made profits in 2013. The Expense to Income ratios (CIR) of all the transaction offices were well below 100% showing that brokerage fee were able to cover their direct expenses.

Along with original transaction offices which maintained stable market shares and efficient operations, Cho Lon transaction office, consolidated from Cho Lon Securities JSC since mid-2012, has rapidly sped up and reached 1% of total market share in 2013, a comparable level with other transaction offices.

1.2 Margin trading income

Although average margin balances of Private Client Division increased by 12% compared to 2012, revenues from margin trading in 2013 dropped by 9% y/y, mainly due to the decrease in average margin rates from 21% pa to 17% pa in line with lower market deposit rates.



1.3 Operating expenses

Operating expenses of Private Client Division in 2013 dropped by 5% y/y mainly due to lower direct expenses. Direct expenses include salary expenses, commission expenses, office rental expenses, depreciation expenses, IT expenses and other outside service expenses. Direct expenses in 2013 were lower than 2012 due to:

- Closing a transaction office in the North to reduce operating expenses;
- The full depreciation of a majority of fixed assets in 2012 while new purchases were not significant.

2. INSTITUTIONAL CLIENT DIVISION

Institutional Client Division (VND Mil)	FY 2013	FY 2012	% change	Plan 2013	% to Plan 2013
Total revenues	121,847	61,984	97%	67,513	180%
Brokerage	90,509	40,732	122%	53,913	168%
Margin income	4,745	12,207	-61%	13,328	36%
Income from using capital	23,638	4,270	454%	-	-
Advisory fee	1,892	3,406	-44%	-	-
Other services	1,063	1,369	-22%	-	-
Direct expense	55,886	35,965	55%	36,497	153%
Indirect expense	9,258	8,392	10%	8,375	111%
Total expenses	65,144	44,357	47%	44,872	145%
Profit before tax	56,703	17,626	222%	22,641	250%
% of HSC's total revenues	19.2%	11.0%			

Revenues of Institutional Client Division in 2013 were at VND 122 billion, which doubled from 2012 and contributed over 19% to HSC's total revenues.

2.1 Brokerage fee

Brokerage fee reached VND 90 billion, accounting for 74% of divisional revenues and increased by 122% compared to 2012 driven by a combination of market share gains and a slight increase in trading activities by foreign institutions:

- Foreign trading value of total market trading value increased from 10% in 2012 to 13% in 2013 and foreigners were net buyers in the market;
- HSC's foreign trading market share increased from 24.6% in 2012 to 32.1% in 2013 over the total foreign trading market share in the market;

- Revenue from off-bands transactions and private placement transactions for foreign institutions related to VNM, FPT, KDC, MSN contributed a significant amount to our fee revenues in 2013;
- Revenue from customers introduced by offshore brokers also contributed to our total revenues. These customers' trading values and volumes enjoyed good growth in 2013, accounting for 14% of total institutional trading values (2012: 2%). Commissions for offshore brokers were recorded in 2013 direct operating expenses;
- Bond brokerage activities while being modest in 2012, contributed more to brokerage revenues in 2013. As HSC is one of the few brokerage companies participating in the primary market of bond issuances, it contributed to the increase in the value of bond brokerage transactions in the secondary market in 2013. HSC's target is to increase its revenues by expanding our network of bond trading clients in both primary and secondary markets.

2.2 Margin trading income

Income from margin trading by Institutional Client Division decreased 61% in 2013 as fewer investors employed the service to accumulate treasury shares as they did in 2012. The margin balances decreased by 52% from VND 59 billion in 2012 to VND28 billion in 2013 while average margin rate dropped to 17% as mentioned above.

2.3 Revenues from using capital

Revenues from using capital were driven by spreads between accumulation prices and selling prices to institutional investors. Average capital of this investment portfolio was VND 25 billion with an average return rate of 89% pa. This is a value-added service that supports institutional investors in accumulating large blocks of stocks and HSC will continue to provide this product in the future.

2.4 Other revenues

Other revenues mainly come from providing market research services.

2.5 Operating expenses

Operating expenses mainly included commissions to brokers for introducing customers to HSC and salary expenses. Operating expenses in 2013 increased by 47% due to the rise in brokerage commissions as a result of an increase in trading values while other operating expenses remained flat compared to 2012.

3. CORPORATE FINANCE DIVISION

Corporate Finance Division (VND mil)	FY 2013	FY 2012	% change	Plan 2013	% to Plan 2013
Total revenues	22,556	9,577	136%	38,000	59%
Advisory fee	16,971	9,577	77%	18,000	94%
Mezzanine financing	5,585	-		20,000	28%
Other income	-	-		-	
Direct expense	10,790	8,534	26%	9,324	116%
Indirect expense	4,914	4,636	6%	4,375	112%
Total expenses	15,705	13,170	19%	13,699	115%
Profit before tax	6,852	(3,593)		24,301	28%
% of HSC's total revenues	3.5%	1.7%			

Corporate Finance Division in 2013 had good results with total revenues reaching VND 23 billion, 136% higher than the year before, and mainly included advisory fees and revenue from mezzanine financing activities.

3.1 Advisory fee

Advisory fee were at VND 17 billion, mainly contributed from fees in rendering M&A services for Euvipharm pharmaceutical firm and providing equity underwriting service for FECON. The balance came from fees of valuation, IPO and listing advisory services.

3.2 Mezzanine financing

Revenue from mezzanine financing activities were at VND 5 billion and the average capital use was VND 31 billion at a return rate of 18% pa.

3.3 Operating expenses

Operating expenses increased by 19% compared to 2012, driven by commissions paid to third-parties for their customer referral services while other operating expenses remained flat.

Listing and IPO activities in 2013 did not pick up due to broader economic difficulties and it might take some time to recover, despite government's effort to simplify IPO procedures. The listed market was trading on low valuations, hence when it was taken as reference to value the equity of SOEs, the outcome price was low. This delayed the IPO schedule of some large SOEs in 2013.

There were some large M&A deals in 2013 made by foreign partners. Strategic investors still actively sought investment opportunities in Vietnam; however, the domestic firms' performances still suffered from the economy's slow recovery, making it difficult to evaluate and identify the risk involved in a possible M&A deal.

4. EQUITY INVESTMENT FUNCTION

Equity investment (VND Mil)	FY 2013	FY 2012	% change	Plan 2013	% to Plan 2013
Total revenues	84,944	22,275	281%	47,094	180%
Income from equity investment	84,944	22,275	281%	47,094	180%
Direct expense	2,309	10,856	-79%	865	267%
Indirect expense	1,229	1,138	8%	1,114	110%
Total expenses	3,539	11,994	-70%	1,979	179%
Profit before tax	81,405	10,281	692%	45,115	180%
% of HSC's total revenues	13.4%	4.0%			

4.1 Equity investment

Revenues from equity investment achieved VND 85 billion, three times higher than that of 2012 and contributed over 13% to HSC's revenues.

HSC's equity investment activities include investments in OTC shares (the remaining portfolio since 2007) and listed shares portfolio.

- Investment in OTC shares: main revenues came from dividends which were insignificant against the average capital of VND 80 billion;
- Investment in listed shares and fund certificates: Average portfolio size was VND 294 billion and the return rate of 28% pa. This proved the investment efficiency of the investment decisions made during the year as compared with the growth of VN Index in 2013:
 - ❖ Investment in fund certificates was the largest portion of our listed shares portfolio in 2013 with an average investment size of VND 251 billion. During the year HSC only realized a certain part of the certificate of funds at an average return of 22% pa. At the end of 2013, HSC still held a balance of VND 165 billion of fund certificates with estimated unrealized gains of VND 57 billion. When including these unrealized capital gains, average return rate of fund certificates would be 45% pa;

- ❖ The remained listed shares portfolio was allocated to listed stocks with an average investment size of VND 43 billion and an average return rate of 67% pa.

4.2 Operating expenses

Operating expenses of Equity Investment Function mainly included securities investment expenses, provisions for stock impairments and staff costs. According to regulations, gains (selling price higher than purchased price) on securities investment and trading are recognised in revenues from securities investment, while losses (selling price is lower than purchased price) are recognized in securities investment expenses. Operating expenses in 2013 dropped significantly due to a reduction in loss on securities trading and a lower provision on stock impairment while staff expenses remained stable over years.

A prudent yet flexible strategy on equity investment decision helped the Equity Investment Function to perform well in 2013. Going forward, Equity Investment Function is expected to substantially continue to contribute to our total profit by finding good investment opportunities on stock exchanges given an anticipated recovery of the economy as well as an improved stock market in 2014.

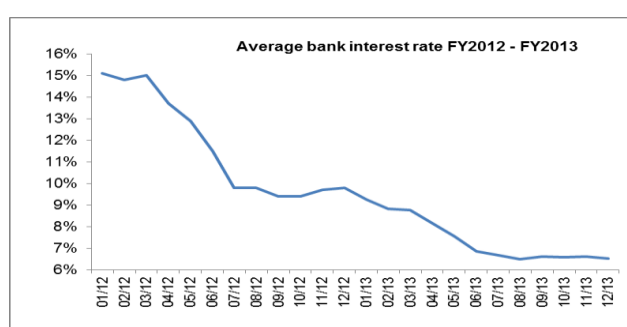
5. TREASURY FUNCTION

Treasury (VND mil)	FY 2013	FY 2012	% change	Plan 2013	% to Plan 2013
Total revenues	142,120	196,857	-28%	137,755	103%
Interest income	90,727	138,976	-35%	61,755	147%
Bond investment	44,293	5,383	723%	66,000	67%
Bond repo	6,159	51,772	-88%	10,000	62%
Other income	940	726	29%	-	
Direct expense	28,501	29,354	-3%	32,593	87%
Indirect expense	1,229	1,138	8%	1,114	110%
Total expenses	29,730	30,492	-2%	33,706	88%
Profit before tax	112,390	166,365	-32%	104,049	108%
% of HSC's total revenues	22.4%	35.0%			

Revenues from the Treasury Function in 2013 contributed over 22% of our total revenues, a ratio much lower than that of previous years. Revenue from bank deposits, bond investments and bond repos accounted for 64%, 31% and 4% of Treasury Function's revenue respectively.

5.1 Interest income

Revenue from bank deposits decreased by 35% y/y, mainly due to the average interest rates sharply dropped from 11.1% pa in 2012 to 7.5% pa in 2013, whereas HSC's cash balance in bank deposits was kept at VND 1,280 billion, relatively unchanged compared to 2012's level at VND 1,300 billion.



5.2 Bond investment

Revenues from bond investment were VND 44 billion in 2013, seven times higher than 2012 and mainly consisted of returns from holding government bonds. Average capital investment of bond portfolio was VND 405 billion, which generated an average return rate of 10.9% pa, higher than that in 2012 with average capital investment of VND 52 billion and an average return rate of 10.3% pa.

5.3 Bond repo

Revenues from bond repo decreased by 88% as compared with 2012, mainly due to the termination of most repo contracts in late 2012 and early 2013 and HSC's policy on not encouraging the expansion of such activity due to lower repo rates. Average repo balance in 2013 was VND 48 billion at average bond repo rate of 11.8% pa, much lower than an average balance of VND 222 billion and an average bond repo rate of 17.7% pa in 2012.

5.4 Operating expenses

Operating expenses of Treasury Function were flat compared to 2012, mainly consisted of interest expenses for reversed repo activity (in which HSC used bonds from investments for borrowing money from banks, the amount received was used for other activities with higher profitability) and salary expenses.

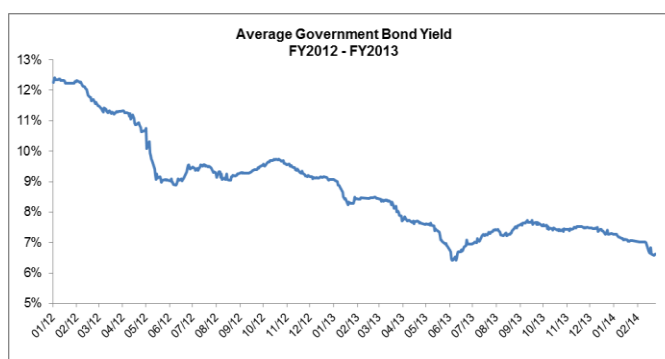
ASSET ALLOCATION

Asset Allocation (VND mil)	End of FY 2013	End of FY 2012	% change	End of FY 2013
	Book value	Book value		Market value
1 Cash	1,007,874	1,794,203	-44%	1,007,874
2 Short term investment	352,083	152,323	131%	410,419
Listed shares	273,757	71,952	280%	332,092
Unlisted shares	78,327	80,371	-3%	78,327
3 Accounts receivable	1,408,278	638,584	121%	1,408,278
Repo agreements	7,855	86,729	-91%	7,855
Advances to investors	62,964	25,489	147%	62,964
Margin	1,030,852	510,853	102%	1,030,852
Other receivables	300,346	11,608	2487%	300,346
Other current assets	6,262	3,905	60%	6,262
4 Fixed asset	7,370	11,911	-38%	7,370
5 Long-term investment	229,371	475,294	-52%	245,122
Bonds	229,371	372,226	-38%	245,122
Shares	-	103,068	-100%	-
6 Other long-term assets	122,805	126,620	-3%	122,805
Long-term prepaid expenses	107,738	113,512	-5%	107,738
Other long-term assets	15,067	13,108	15%	15,067
Total assets	3,127,781	3,198,935	-2%	3,201,868

As at the end of 2013, HSC's total assets were mainly cash (32%), margin trading (33%), short-term investment (11%), long-term investment (7%) and other assets.

1. On a year-to-year basis, our cash balances decreased by 44% as more cash was used to finance margin trading and short-term investments.
2. Short-term investments increased both in value and their proportion in total assets. At the end of 2013, total value of short-term investments was VND 352 billion, including both listed and unlisted shares.
3. Market value of the listed shares portfolio at the end of 2013 was VND 332 billion given a capital gain (selling price higher than accumulated price) of VND 58 billion was not yet recorded in the financial statements.
4. Margin trading balances and advances to investors at the end of 2013 were more than doubled last year's levels, however average margin balance only increased by 8% y/y.

5. Long-term investments in government bonds began in late 2012, expanded during mid-year 2013 and subsequently declined in later months of 2013 as bond yield was not as attractive as in the first half of the year. The ending balance of bond investments at the end of 2013 was VND 230 billion, and accounted for 7% of total assets.



PEER COMPARISON

As at and for the year end 31 Dec, 2013	FY 2013											
	Revenues (VND mil)	Net profit (VND mil)	Price (VND)	EPS (VND)	P/E	P/B	BVPS (VND)	ROAA	ROAE	GPM	CIR	Financial safety ratio (*)
SSI	805,712	351,857	18,000	995	18.1	1.3	14,120	4.7%	7.0%	43.7%	50.9%	308%
KLS	167,651	138,344	8,900	697	12.8	0.7	12,503	5.3%	5.5%	82.5%	27.0%	856%
VND	262,618	124,427	10,400	1,245	8.4	0.9	11,974	7.0%	10.8%	47.4%	49.8%	350%
ACBS	461,051	90,053		600			11,100	2.5%	5.4%	19.5%	78.0%	N/A
FPTS	180,640	88,804		1,211			15,936	5.4%	7.9%	49.2%	34.9%	953%
BVS	207,355	85,700	11,400	1,187	9.6	0.7	16,781	5.2%	7.3%	41.3%	58.5%	494%
VCBS	245,989	71,134		1,016			13,375	4.5%	7.9%	28.9%	61.7%	261%
VCSC	398,819	61,733		1,550			13,396	2.8%	11.9%	15.5%	78.2%	210%
SHS	134,985	11,621	6,000	116	51.6	0.8	7,869	0.7%	1.5%	8.6%	90.5%	215%
Total	2,864,820	1,023,673										
Average	318,313	113,741	10,940	957	20.1	0.9	13,006	4.2%	7.2%	37.4%	54.9%	456%
HCM	634,760	282,174	24,500	2,241	10.9	1.4	17,661	8.9%	12.8%	44.5%	41.0%	950%

* SHS, VND, SSI, BVS, VCBS, VCSC and FPTS are as at 30 June, 2013

Compared to peers, HSC was the leading firm in terms of several financial ratios such as EPS, ROAE, ROAA, and BVPS

As at the end of 2013, HSC's financial safety ratio (liquid capital ratio) was 950%, substantially higher compared to peers and was well above SSC's requirement level.

II. OPERATION SUPPORTING SERVICES

1. INFORMATION TECHNOLOGY

HSC is the leading financial and investment services provider in Vietnam, trusted by customers and voted as "The best securities firm in Vietnam". HSC leverages its market insights to develop great value-added products and services to support customers and investors in opening accounts and trading at HSC.

Enhancing services for Institutional Clients

- An order placement system directly integrated with Bloomberg and Reuters' networks via Financial Information Exchange (FIX) protocol;
- The O.M.G.EO system which allows automatic post-trade lifecycle back-office operations;
- A balance - checking service in depository banks via SWIFT network;
- The STP System (Straight Through Processing) to accelerate the order management and provide accurate feedbacks to Institutional Clients

Enhancing services for Private Clients

- HSC provides full internet trading services for clients on Vi-Trade System with:

- Customized interfaces designed for professional investors' usage;
- Enhanced security for investors when conducting transactions via an advanced security system;
- Easy access to our services at their convenience.
- Mobile trading: clients can obtain information directly from the exchanges to make quick decisions in taking investment opportunities or avoiding losses;
- The online services for rights registering, transferring and accounts opening which enhance accessibilities and conveniences for clients in their transactions.

Information Technology System management

- HSC has successfully adopted ISMS (Information Security Management System) project with C.I.A (Confidentiality, Integrity and Availability) protocol with a clear intention of bringing our information security under explicit control and management. HSC has officially been certified ISO / IEC 27001:2005 for "Providing online trading and brokerage services" by TUV Rheinland (Germany). This achievement has made HSC the market leader in providing online trading and management advisory.
- We will launch COBIT 5 (Control Objectives for Information and Related Technology), the fundamental system for IT governance and management of the company.
- We plan to adopt the ITIL (Information Technology Infrastructure Library) protocol which provides a practical framework for identifying, planning, delivering and supporting IT services in our business. It is also the foundation for ISO 20000, the first international standard for IT Service management.

The constant improvements of IT system have equipped HSC with the fastest order placing speed and ability to support clients with fastest trading time.

2. Risk management

At HSC, risk management system is built under a clear, consistency and systematic approach methods, adopted with global securities trading processes. It helps to identify, control and mitigate major risks possible affect to our targets. HSC focuses in building effective controlling methods that are developed based on the risks assessment for our business.

Enterprise Risk Management (ERM):

We focus on maintaining strict compliance with the regulations of existing laws as well as constantly improving the processes of Risk Management and Corporate Governance. ERM Project was undertaken to meet the professional and systematic requirements of a formal and systematic risk management department. Accordingly, HSC worked with PwC to independently assess HSC's risks profile and guide the Company in establishing a Risk Management Division. This project was initiated in late 2012 and completed in 2013.

On the ERM platform, HSC has implemented important policies such as HSC's Codes of Conduct, Limit of Authority Guidelines, Operating Principles of Risk Management Subcommittee attached to the Board of Directors and Operating Principles of the Board of Risk Management; and Risk Framework and Policy.

In 2013, HSC also appointed KPMG Vietnam as the Co-sourced Internal Auditor. Our Board of Directors has approved the establishment of an Independent Audit Division - Internal Audit Department. This department will be completely independent and provide assurance to the shareholders that we are strictly complied with the regulations and current laws.

In addition, we have initiated a new project, the Business Process Improvement (BPI) project which aims to consistently apply the same principles for all of our business processes. Realizing some potential risks in our operations, we aim to improve and enhance our business processes by factoring risk into the future development of these processes. We strive to balance between maximizing business opportunities within the framework of our strategy and identifying, assessing and minimizing the associated risks.

HSC aims to accomplish a thorough risk management foundation including: building a complete risk profiles and risk parameters, updating procedures and policies, establishing and finalizing business processes and supervising regulations and finally an effective reporting and controlling system. The success in the launching of ERM project will help HSC maximize the potential to achieve our business objectives, and enhance the confidence of investors and shareholders in the Company.

3. Human resources

Despite the difficulties of Vietnam stock market in 2013, HSC maintained our human resource with 353 permanent employees and collaborators who are willing to join the company when the market recovers. Our development strategies are based on professional knowledge and competence - human resources are our greatest asset and people management is the key factor in the sustainable development of the company. HSC continuously develops the training programs aimed at enhancing knowledge, expertise and skills of our staff. At the same time, we also invest on the health, physical and spirit lives of our staff through motivating them to develop their full potentials and encouraging personal development and dedication to the company.

Besides the social insurance policy under labor law, since 2007 HSC selected and applied the premium health insurance programs for staff and their families that are provided by trusted insurance firms and offered annual health checks for all of our staff.

In 2013, many cultural, sporting and team building activities took place such as: quarterly team briefings, sport clubs, art club, English club, book library, photography contest, flower contest, and others which enhanced the solidarity and cooperation between departments. HSC's Company Trip in the spirit of "I care" was the highlight of 2013. Thanks to this trip, HSC's staffs were encouraged to recognize their roles, values, actions and corresponding impact on their surroundings as well as understand the position and influence of HSC in the market, community and society besides profitable objectives in business.

HSC has been and will continue to create positive values and influences to our core businesses, our industry and the society. We have built a solid foundation where we will further sustain our business.

On this occasion, we would like to thank all the shareholders, clients, colleagues and partners for giving us your support and trust to help HSC moving steadily into the next stage of development in the future.

Ho Chi Minh City, April 2nd 2014
Chief Executive Officer

Johan Nyvene