

## **Ho Chi Minh City Securities Corporation**

Report of the Board of Directors and  
Reviewed Interim Financial Statements

For the period from 1 January 2009 to 30 June 2009



# Ho Chi Minh City Securities Corporation

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# Ho Chi Minh City Securities Corporation

## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Ho Chi Minh City Securities Corporation ("the Company") is pleased to present its report and the interim financial statements of the Company for the six-month period ended 30 June 2009 (period from 1 January 2009 to 30 June 2009).

### THE COMPANY

The Company is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 4103001573 issued by the Ho Chi Minh City Department of Planning and Investment on 23 April 2003 and Business Licence No. 11/UBCK-GPHDKD issued by the State Securities Commission on 29 April 2003.

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

The Company's head office is located at Floor 1, 2 and 3 at 6 Thai Van Lung, District 1, Ho Chi Minh City and its branch is located in Ha Noi, and transaction office in Ho Chi Minh City.

### RESULTS AND DIVIDENDS

		VND
	<i>For the six-month period ended 30 June 2009</i>	<i>For the six-month period ended 30 June 2008 (unreviewed)</i>
Net profit/(loss) for the period	123,772,173,049	(85,960,314,825)
Dividend paid during the period	20,733,549,357	19,229,736,300
Dividend declared but not paid during the period	3,080,610,059	3,154,876,919
Retained earnings at end of period	241,797,849,954	45,201,888,565

### SIGNIFICANT EVENTS DURING THE PERIOD

The Company's shares were officially listed on the Ho Chi Minh Stock Exchange according to Decision No. 27/QD-SGDHCM dated 20 April 2009 and started trading from 19 May 2009.

### BOARD OF DIRECTORS

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

Ms Ngo Kim Lien	Chairwoman	Appointed at 30 June 2007
Mr Do Hung Viet	Vice Chairman	Appointed at 30 June 2007
Mr Le Anh Minh	Vice Chairman	Appointed at 30 June 2007
Mr Nguyen Quyet Chien	Member	Reappointed at 30 June 2007
Mr Johan Nyvene	Member	Appointed at 30 June 2007
Mr Pham Nghiem Xuan Bac	Member	Reappointed at 30 June 2007
Mr Nguyen Huu Thanh	Member	Resigned at 24 April 2009
Mr Hoang Dinh Thang	Member	Appointed at 30 June 2007

# Ho Chi Minh City Securities Corporation

## REPORT OF THE BOARD OF DIRECTORS (continued)

### BOARD OF MANAGEMENT

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

Mr Johan Nyvene	Chief Executive Officer	Appointed at 15 May 2007
Mr Trinh Hoai Giang	Deputy Chief Executive Officer	Appointed at 15 May 2007
Mr Pham Minh Phuong	Deputy Chief Executive Officer	Appointed at 10 April 2007
Mr Johan Kruimer	Managing Director	Appointed at 26 July 2007
Mr Fiachra Mac Cana	Managing Director	Appointed at 1 March 2008

### BOARD OF SUPERVISORS

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

Mr Vo Van Chau	Chief of Board of Supervisors	Reappointed at 30 June 2007
Mr Doan Van Hinh	Member	Appointed at 30 June 2007
Ms Nguyen Thi Thanh Van	Member	Appointed at 30 June 2007

### EVENTS SINCE THE INTERIM BALANCE SHEET DATE

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

### AUDITORS

The auditors, Ernst & Young Vietnam Limited, have expressed their willingness to accept reappointment.

### STATEMENT OF THE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Board of Management is responsible for the interim financial statements of each financial period which give a true and fair view of the interim state of affairs of the Company and of the Company's interim results of its operations and interim cash flows for the period. In preparing those interim financial statements, management is required to:

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

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

The Board of Management has confirmed to the Board of Directors that the Company has complied with the above requirements in preparing the accompanying interim financial statements.

# Ho Chi Minh City Securities Corporation

REPORT OF THE BOARD OF DIRECTORS (continued)

## APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying interim financial statements which give a true and fair view of the interim financial position of the Company as at 30 June 2009 and the interim results of its operations and interim cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and accounting policies according to Circular No. 95/2008/TT-BTC issued by the Ministry of Finance on 24 October 2008 and comply with relevant statutory requirements.

On behalf of the Board of Directors,


Mr Do Hung Viet  
Vice Chairman

24 July 2009

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KHC  
CHÍ MI  
10.0

Reference: 60790272/11109

## INDEPENDENT AUDITORS' REVIEW REPORT

### The Board of Directors of Ho Chi Minh City Securities Corporation

We have reviewed the interim balance sheet of Ho Chi Minh City Securities Corporation ("the Company") as at 30 June 2009, and the related interim income statement and interim cash flow statement for the six-month period then ended and the notes thereto as set out on pages 5 to 34 (collectively referred to as "the interim financial statements"). These interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim financial statements based on our review.

We conducted our review in accordance with Vietnamese and International Standards on Auditing applicable in Vietnam and to review engagements. These standards require that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the interim financial position of the Company as at 30 June 2009, and of the interim results of its operations and its interim cash flow for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and accounting policies according to Circular No. 95/2008/TT-BTC issued by the Ministry of Finance on 24 October 2008 and comply with the relevant statutory requirements.



*Ernst & Young Vietnam Ltd*  
Ernst & Young Vietnam Limited

*Vo Tan Hoang Van*

Vo Tan Hoang Van  
Deputy General Director  
Registered Auditor  
Certificate No. 0264/KTV

Ho Chi Minh City, Vietnam

24 July 2009

*Nguyen Xuan Dai*

Nguyen Xuan Dai  
Auditor in charge  
Registered Auditor  
Certificate No. 0452/KTV

INTERIM BALANCE SHEET  
as at 30 June 2009

VND

Code	ASSETS	Notes	30 June 2009	31 December 2008
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,304,317,921,470</b>	<b>424,512,702,959</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>897,731,984,699</b>	<b>134,722,054,635</b>
111	1. Cash		897,731,984,699	134,722,054,635
<b>120</b>	<b>II. Short-term financial investments</b>	<b>6</b>	<b>201,496,717,948</b>	<b>179,621,648,637</b>
121	1. Short-term investments		279,283,847,927	369,171,202,766
129	2. Provision for short-term investments		(77,787,129,979)	(189,549,554,129)
<b>130</b>	<b>III. Short-term receivables</b>		<b>202,642,141,859</b>	<b>98,966,106,292</b>
131	1. Trade receivables	7	1,179,151,810	2,974,849,166
132	2. Advances to suppliers		72,045,450	41,746,440
135	3. Receivables from securities trading	7	189,385,531,483	107,556,307,352
138	4. Other receivables	7	36,906,701,839	21,047,148,057
139	5. Provision for doubtful debts	7	(24,901,288,723)	(32,653,944,723)
<b>150</b>	<b>IV. Other current assets</b>		<b>2,447,076,964</b>	<b>11,202,893,395</b>
151	1. Short-term prepaid expenses		1,474,387,214	2,543,001,944
152	2. Value added tax deductible		-	3,444,081
154	3. Tax and other receivables from the State		-	7,675,279,835
158	4. Other current assets	8	972,689,750	981,167,535
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>617,569,365,156</b>	<b>1,054,696,973,332</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>14,878,223,298</b>	<b>15,706,708,794</b>
221	1. Tangible fixed assets	9	7,385,336,138	7,794,520,395
222	Cost		13,852,051,466	12,702,454,983
223	Accumulated depreciation		(6,466,715,328)	(4,907,934,588)
227	2. Intangible fixed assets	10	6,771,746,064	7,107,457,937
228	Cost		9,572,217,857	8,645,993,297
229	Accumulated amortisation		(2,800,471,793)	(1,538,535,360)
230	3. Constructions in progress	11	721,141,096	804,730,462
<b>250</b>	<b>II. Long-term financial investments</b>	<b>6</b>	<b>595,214,814,128</b>	<b>1,029,296,669,128</b>
253	3. Long term securities			
254	- Available-for-sell securities		595,214,814,128	1,029,296,669,128
<b>260</b>	<b>III. Other long-term assets</b>		<b>7,476,327,730</b>	<b>9,693,595,410</b>
261	1. Long-term prepaid expenses	12	4,307,322,327	7,501,290,698
263	2. Deposits at Settlement Support Fund	13	2,101,110,499	1,124,409,808
268	3. Other long-term assets	14	1,067,894,904	1,067,894,904
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,921,887,286,626</b>	<b>1,479,209,676,291</b>

INTERIM BALANCE SHEET (continued)  
as at 30 June 2009

VND

Code	RESOURCES	Notes	30 June 2009	31 December 2008
<b>300</b>	<b>A. LIABILITIES</b>		<b>487,385,528,288</b>	<b>155,761,925,505</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>486,173,867,205</b>	<b>154,427,388,005</b>
312	2. Trade payables		30,058,855	190,744,300
313	3. Advances from customers		-	889,892,000
314	4. Statutory obligations	15	13,936,103,371	1,555,221,261
315	5. Payables to employees		-	1,710,350,258
316	6. Accrued expenses	16	2,752,611,667	749,578,520
320	8. Payables to securities transactions		459,835,471,248	135,195,579,351
321	9. Dividend, principal and interest payables		5,353,762,601	1,210,851,120
328	10. Other payables	17	4,265,859,463	12,925,171,195
<b>330</b>	<b>II. Non-current liabilities</b>		<b>1,211,661,083</b>	<b>1,334,537,500</b>
336	1. Provision for severance allowance		1,211,661,083	1,334,537,500
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>1,434,501,758,338</b>	<b>1,323,447,750,786</b>
<b>410</b>	<b>I. Capital</b>	<b>18</b>	<b>1,424,577,628,598</b>	<b>1,316,045,764,658</b>
411	1. Share capital		394,634,000,000	394,634,000,000
412	2. Share premium		757,828,775,000	757,828,775,000
414	3. Treasury shares		(1,400,400,000)	(645,000,000)
417	4. Investment and development fund		3,961,374,994	3,961,374,994
418	5. Financial reserve		26,285,903,124	26,458,301,498
419	6. Other funds belonging to owners' equity		1,470,125,526	1,538,895,415
420	7. Undistributed earnings		241,797,849,954	132,269,417,751
<b>430</b>	<b>II. Bonus and welfare fund</b>	<b>18</b>	<b>9,924,129,740</b>	<b>7,401,986,128</b>
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>1,921,887,286,626</b>	<b>1,479,209,676,291</b>

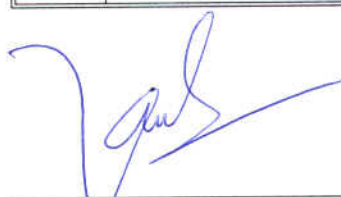


INTERIM BALANCE SHEET (continued)  
as at 30 June 2009

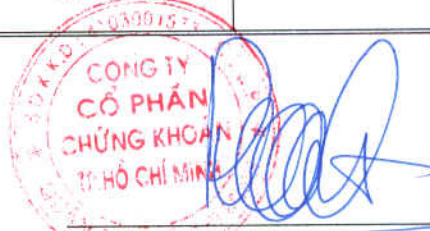
## OFF BALANCE SHEET ITEMS

VND

Code	ITEMS	30 June 2009	31 December 2008
005	5. Foreign currencies	103,471,839	122,452,190
006	6. Custody securities	1,964,764,210,000	2,195,049,720,000
	<i>Include:</i>		
007	6.1. Trading securities	1,641,909,440,000	2,084,337,220,000
008	6.1.1. Trading securities of custody members	539,829,650,000	1,350,616,510,000
009	6.1.2. Trading securities of local investors	1,083,396,880,000	716,019,430,000
010	6.1.3. Trading securities of foreign investors	18,682,910,000	17,701,280,000
012	6.2. Temporarily un-tradable securities	96,204,940,000	-
013	6.2.1. Temporarily un-tradable securities of custody members	101,600,000	-
014	6.2.2. Temporarily un-tradable securities of local investors	95,443,340,000	-
015	6.2.3. Temporarily un-tradable securities of foreign investors	660,000,000	-
017	6.3. Mortgaged securities	43,487,490,000	23,713,200,000
019	6.3.2. Mortgaged securities of local investors	43,487,490,000	23,713,200,000
022	6.4. Temporarily blocked securities	96,066,340,000	-
02	6.4.2. Temporarily blocked securities of local investors	95,406,340,000	-
025	6.4.3. Temporarily blocked securities of foreign investors	660,000,000	-
027	6.5. Securities awaiting for settlement	87,096,000,000	86,999,300,000
028	6.5.1. Securities awaiting for settlement of custody members	1,551,300,000	51,682,000,000
029	6.5.2. Securities awaiting for settlement of local investors	85,459,900,000	34,628,800,000
030	6.5.3. Securities awaiting for settlement of foreign investors	84,800,000	688,500,000
050	7. Unlisted Custody Securities	1,385,900,000	-
	<i>Include :</i>		
051	7.1. Trading Securities	1,385,900,000	-
053	7.1.2. Trading securities of local investors.	1,385,900,000	-



Mr. Lam Huu Ho  
Chief Financial Officer




Mr. Phạm Minh Phương  
Deputy Chief Executive Officer

24 July 2009

INTERIM INCOME STATEMENT  
for the six-month period ended 30 June 2009

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2009	For the six-month period ended 30 June 2008 (un-reviewed)
<b>01</b>	<b>1. Revenue</b>			
	<i>Include:</i>			
01.1	Revenue from brokerage services		30,230,839,146	10,844,913,912
01.2	Revenue from securities investment		92,385,754,938	41,297,075,913
01.4	Revenue from securities issuance agency services		257,214,364	-
01.5	Revenue from finance advisory services		925,962,440	2,273,998,522
01.7	Revenue from trust auction activities		-	1,305,373,233
01.9	Other revenue	19	22,276,706,642	52,015,522,261
<b>10</b>	<b>2. Revenue from operating activities</b>		<b>146,076,477,530</b>	<b>107,736,883,841</b>
<b>11</b>	<b>3. Operating expenses</b>	<b>20</b>	<b>(3,688,760,757)</b>	<b>(171,523,310,871)</b>
	<i>in which:</i>			
	Operating expenses		(115,451,184,907)	(171,523,310,871)
	Reversal of provision for a decline in value of short-term investments		111,762,424,150	-
<b>20</b>	<b>4. Gross profit/ (loss)</b>		<b>142,387,716,773</b>	<b>(63,786,427,030)</b>
<b>25</b>	<b>5. General and administrative expenses</b>	<b>21</b>	<b>(12,260,231,232)</b>	<b>(22,178,603,319)</b>
	<i>in which:</i>			
	General and administrative expenses		(20,012,887,232)	(22,178,603,319)
	Reversal of provision for doubtful debts		7,752,656,000	-
<b>30</b>	<b>6. Net profit/ (loss) from operating activities</b>		<b>130,127,485,541</b>	<b>(85,965,030,349)</b>
<b>31</b>	<b>7. Other income</b>		<b>14,434,395,000</b>	<b>46,568,441</b>
<b>32</b>	<b>8. Other expenses</b>		-	<b>(41,852,917)</b>
<b>40</b>	<b>9. Other profit</b>	<b>22</b>	<b>14,434,395,000</b>	<b>4,715,524</b>
<b>50</b>	<b>10. Profit/ (loss) before tax</b>		<b>144,561,880,541</b>	<b>(85,960,314,825)</b>
<b>51</b>	<b>11. Current corporate income tax expense</b>	<b>23</b>	<b>20,789,707,492</b>	-
<b>60</b>	<b>12. Net profit/ (loss) after tax</b>		<b>123,772,173,049</b>	<b>(85,960,314,825)</b>
<b>70</b>	<b>13. Basic earnings/ (loss) per share</b>	<b>24</b>	<b>3,139</b>	<b>(3,700)</b>

  
Mr. Lam Huu Ho  
Chief Financial Officer

  
  
Mr. Pham Minh Phuong  
Deputy Chief Executive Officer

24 July 2009

INTERIM CASH FLOW STATEMENT  
for the six-month period ended 30 June 2009

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2009	For the six-month period ended 30 June 2008 (un-reviewed)
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>1. Net profit/ (loss) before tax</b>		<b>144,561,880,541</b>	<b>(85,960,314,825)</b>
	<b>2. Adjustments for:</b>			
02	Depreciation and amortisation	9, 10	2,820,717,173	545,439,817
03	Reversals/ provisions		(119,515,080,150)	151,000,000,000
05	Profits from investing activities		3,452,051,008	132,692,556,426
08	<b>3. Operating profit before changes in working capital</b>		<b>31,319,568,572</b>	<b>198,277,681,418</b>
09	Increase in receivables		(89,212,878,557)	(179,706,929,630)
11	Increase/ (decrease) in payables (other than interest, corporate income tax)		319,741,036,651	(422,343,794,493)
12	Decrease/ (increase) in prepaid expenses		4,262,583,101	(1,968,155,043)
14	Corporate income tax paid	23.2	-	(14,935,361,705)
15	Other cash outflows from operating activities		-	(620,903,310)
16	Reserves utilisation during the period	18.1	(639,957,500)	(208,400,000)
20	<b>Net cash flows from/ (used in) operating activities</b>		<b>265,470,352,267</b>	<b>(421,505,862,763)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchases of fixed assets		(1,992,231,677)	(5,708,764,005)
23	2. Payments for buying securities		(635,399,152,296)	(738,613,187,524)
24	4. Proceeds from sales of securities		1,122,744,904,851	361,921,681,856
27	7. Dividends received		33,171,406,276	15,173,708,110
30	<b>Net cash flows from/ (used in) investing activities</b>		<b>518,524,927,154</b>	<b>(367,226,561,563)</b>


INTERIM CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2009

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2009	For the six-month period ended 30 June 2008 (un-reviewed)
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	1. Proceeds from share issuance	18.1	-	697,095,490,000
32	2. Payment for buying treasury shares	18.1	(251,800,000)	-
36	3. Dividend paid to shareholders		(20,733,549,357)	(19,229,736,300)
40	Net cash flows (used in)/ from financing activities		(20,985,349,357)	677,865,753,700
50	Net increase/ (decrease) in cash and cash equivalents		763,009,930,064	(110,866,670,626)
60	Cash and cash equivalents at the beginning of the period		134,722,054,635	581,787,772,199
70	Cash and cash equivalents at the end of the period		897,731,984,699	470,921,101,573

## NON-MONETARY TRANSACTIONS

ITEMS	Note	For the six-month period ended 30 June 2009	For the six-month period ended 30 June 2008 (unreviewed)
Increase share premium from bonus and welfare funds	18.1	-	9,268,000,000


Mr. Lam Huu Ho  
Chief Financial Officer

Mr. Pham Minh Phuong  
Deputy Chief Executive Officer

24 July 2009

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
as at and for the six-month period ended 30 June 2009

## 1. CORPORATE INFORMATION

The Company is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to Business Registration Certificate No. 4103001573 issued by the Ho Chi Minh City Department of Planning and Investment on 23 April 2003 and Business Licence No. 11/UBCK-GPHDKD issued by the State Securities Commission on 29 April 2003.

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

The Company's head office is located at Floor 1, 2 and 3 at 6 Thai Van Lung, District 1, Ho Chi Minh City and its branch is located in Ha Noi, and transaction office in Ho Chi Minh City.

Total employees of the Company as at 30 June 2009 were 153 persons (31 Dec 2008: 169 persons).

### BOARD OF DIRECTORS

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

Ms Ngo Kim Lien	Chairwoman	Appointed at 30 June 2007
Mr Do Hung Viet	Vice Chairman	Appointed at 30 June 2007
Mr Le Anh Minh	Vice Chairman	Appointed at 30 June 2007
Mr Nguyen Quyet Chien	Member	Reappointed at 30 June 2007
Mr Johan Nyvene	Member	Appointed at 30 June 2007
Mr Pham Nghiem Xuan Bac	Member	Reappointed at 30 June 2007
Mr Nguyen Huu Thanh	Member	Resigned at 24 April 2009
Mr Hoang Dinh Thang	Member	Appointed at 30 June 2007

### BOARD OF MANAGEMENT

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

Mr Johan Nyvene	Chief Executive Officer	Appointed at 15 May 2007
Mr Trinh Hoai Giang	Deputy Chief Executive Officer	Appointed at 15 May 2007
Mr Pham Minh Phuong	Deputy Chief Executive Officer	Appointed at 10 April 2007
Mr Johan Kruimer	Managing Director	Appointed at 26 July 2007
Mr Fiachra Mac Cana	Managing Director	Appointed at 1 March 2008

### BOARD OF SUPERVISORS

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

Mr Vo Van Chau	Chief of Board of Supervisors	Reappointed at 30 June 2007
Mr Doan Van Hinh	Member	Appointed at 30 June 2007
Ms Nguyen Thi Thanh Van	Member	Appointed at 30 June 2007

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 *Accounting Standards and System*

The interim financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other 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 interim balance sheet, interim income statement, interim cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Year 2009 is the first year that the Company applies the Circular 95/2008/TT-BTC dated 24 October 2008 guiding on the accounting policies for securities companies.

### 2.2 *Registered accounting documentation system*

The registered accounting documentation system is the General Journal.

### 2.3 *Fiscal year*

The Company's fiscal year starts on 1 January and ends on 31 December.

### 2.4 *Interim financial statements*

From 2009, the Company prepares the interim financial statements for the six-month period (the period from 1 January to 30 June).

The first interim period is from 1 January 2009 to 30 June 2009.

### 2.5 *Accounting currency*

The Company maintains its accounting records in VND.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *The first interim financial statements*

The Company prepared the first interim financial statements for the period from 1 January 2009 to 30 June 2009. The comparative figures in the interim income statement, interim cash flow statement and notes for the six-month period ended 30 June 2008 have not yet been reviewed.

#### 3.2 *Cash and cash equivalents*

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

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

#### 3.3 *Receivables*

Receivables are presented in the interim financial statements at the carrying amounts due from customers and other debtors, along with the provision for doubtful debts.

The provision for doubtful debts represents the estimated loss due to non-payment arising on receivables that were outstanding at the interim balance sheet date. Increases and decreases to the provision balance are recorded as general and administrative expenses in the interim income statement.

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Expenditures for additions, improvements and renewals are capitalised and expenditures for maintenance and repairs are charged to the interim income statement.

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

#### 3.5 *Operating lease*

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

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

#### 3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

Expenditures for additions, improvements and renewals are capitalised and expenditures for maintenance and repairs are charged to the interim income statement.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 *Depreciation and amortisation*

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

Means of transportation	6 years
Office equipment	3 - 5 years
Computer software	3 - 4 years

#### 3.8 *Prepaid expenses*

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

The following types of expenses are recorded as long-term prepaid expense and are amortised to the interim income statement over 2 to 3 years:

- ▶ Office renovation expenses;
- ▶ Office rental expenses and
- ▶ Office equipment expenses

#### 3.9 *Long-term and short-term investment securities*

##### *Trading securities*

Trading securities include those that are held for trading and recognised at cost at transaction date. These securities are subsequently measured at the lower between historical cost and market value. Any increase or decrease arising from impairment or decline in market value of such investments are recognised in the interim income statement.

##### *Available-for-sale securities*

Available-for-sale securities include debt and equity securities which the Company held for investment and available for sale and do not qualify to be classified as trading and held-to-maturity securities. Available-for-sale securities are measured at cost. Accrued interest income is amortised on a straight-line basis till the maturity date.

Available-for-sale equity investment is reviewed for any impairment when there has been a "significant" or "prolonged" decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment and estimation. The Company treats "significant" generally as 20% or more and "prolonged" as greater than 6 months. In addition, the Company evaluates other factors, such as share price volatility.

Any impairment losses are recognised in the interim income statement line "Operating expenses".

#### 3.10 *Payable and accrued expenses*

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



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 *Accrual for severance payment*

The severance payment to employee is provided 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 and related implementing guidance at 31 December 2008. From 1 January 2009, the Company accrued for unemployment insurance according to Decision No. 127/2008/ND-CP dated 12 December 2008.

#### 3.12 *Foreign currency transactions*

Transactions in currencies other than the Company's reporting currency of VND are recorded at the exchange rates ruling at the date of transaction. At the end of the period, monetary assets and liabilities denominated in foreign currencies are revalued at interbank average exchange rates ruling at the time. All realised and unrealised foreign exchange differences are taken to the interim income statement.

#### 3.13 *Treasury shares*

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

#### 3.14 *Appropriation of net profits*

Net profit after tax is available for appropriation in accordance with resolution of shareholders' general meeting after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

#### 3.15 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### *Revenue from brokerage services*

Revenue from brokerage services is recognised in the interim income statement when the securities transaction of the customer has been processed.

##### *Revenue from securities investment*

Revenue from securities investment is determined by the differences between selling prices and the cost of securities sold.

##### *Dividend*

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

##### *Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

##### *Rendering of services*

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 *Cost of securities sold*

The Company applies the moving weighted average method to calculate cost of equity securities sold and the weighted average method to calculate long-term debt securities sold.

#### 3.17 *Corporate income tax*

##### *Current tax*

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

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

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

##### *Deferred tax*

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

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

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised, except :

- ▶ where the deferred tax arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

#### 4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2009	30 December 2008
Cash on hand	432,643,766	406,867,526
Cash at banks	875,648,913,890	23,727,647,638
Deposit on clearing payment for trading security	21,650,427,043	110,587,539,471
<b>TOTAL</b>	<b>897,731,984,699</b>	<b>134,722,054,635</b>

At 30 June 2009, cash at banks included term deposits with period from one to two months with the interest rate ranging from 7.30% to 7.80% p.a.

#### 5. VALUE AND VOLUME OF TRADING RESULTS IN THE PERIOD

	VND	
	<i>Current trading</i>	
	<i>volume</i>	<i>value</i>
a. Trading result of the Company		
- Shares	15,142,253	634,382,098,000
- Bonds	9,690,000	1,103,284,220,000
b. Trading result of investors		
- Shares	501,969,500	12,794,906,352,200
- Bonds	17,114,742	1,775,826,135,900
<b>TOTAL</b>	<b>543,916,495</b>	<b>16,308,398,806,100</b>

## Ho Chi Minh City Securities Corporation

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

## 6. FINANCIAL INVESTMENTS

	Quantity	Value	Compare to the market		VND Total market value
			Increase	Decrease	
<b>I. Held-for-trading securities</b>	<b>7,244,500</b>	<b>279,283,847,927</b>	-	<b>77,787,129,979</b>	<b>201,496,717,948</b>
- Listed shares	1,747,345	81,914,002,184	-	3,171,449,838	78,742,552,346
- Non-listed shares	5,497,155	197,369,845,743	-	74,615,680,141	122,754,165,602
<b>II. Available-for-sale securities</b>	<b>10,121,833</b>	<b>595,214,814,128</b>	-	-	<b>595,214,814,128</b>
- Bonds	10,121,833	595,214,814,128	-	-	595,214,814,128

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

6. FINANCIAL INVESTMENTS (continued)

6.1 Held-for-trading securities

	VND	
	30 June 2009	31 December 2008
Short-term investments in securities	279,283,847,927	369,171,202,766
Provision for a decline in value of short-term investments	<u>(77,787,129,979)</u>	<u>(189,549,554,129)</u>
<b>Net value of short-term investments</b>	<b><u>201,496,717,948</u></b>	<b><u>179,621,648,637</u></b>

*Detail of movements of provision for a decline in value of in short-term investments*

	VND	
	<i>For the six-month period ended 30 June 2009</i>	<i>For the six-month period ended 30 June 2008</i>
Balance at beginning of the period	189,549,554,129	32,082,058,539
Add: Provision created during the period	390,628,143	184,995,623,155
Less: Reversal of provision during the period	<u>(112,153,052,293)</u>	<u>(27,528,127,565)</u>
<b>Balance at end of the period</b>	<b><u>77,787,129,979</u></b>	<b><u>189,549,554,129</u></b>

6.2 Available-for-sale securities

	VND	
	30 June 2009	31 December 2008
Government bonds	497,343,900,000	931,435,755,000
Local bonds	32,074,500,000	32,074,500,000
Corporate bonds	65,786,414,128	65,786,414,128
Banking bonds	<u>10,000,000</u>	<u>-</u>
<b>TOTAL</b>	<b><u>595,214,814,128</u></b>	<b><u>1,029,296,669,128</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

**7. SHORT-TERM RECEIVABLES**

ITEMS	Beginning balance			Occur			Ending balance			VND
	Total	Overdue	Doubtful	Increase	Decrease	Total	Overdue	Doubtful	Provision	
1. Trade receivables	2,974,849,166			9,977,832,110	11,765,807,400	1,179,151,810				
- Receivables from advisory services	944,982,066	-	-	2,136,719,500	3,073,979,500	-	-	-	-	-
- Receivables from securities investment	2,029,867,100	-	-	7,841,112,610	8,691,827,900	1,179,151,810	-	-	-	-
2. Receivables from securities trading	107,556,307,352	40,527,189,405	35,338,236,723	3,190,832,530,756	3,109,003,306,625	189,385,531,483	27,464,744,839	14,859,310,723	(24,901,288,723)	
- Receivables from advances to investors	8,142,931,000	-	-	1,888,884,807,069	1,832,426,922,508	64,600,815,561	-	-	-	-
- Receivables from business services	1,745,500,000	-	-	95,001,320,000	69,878,960,000	26,867,860,000	-	-	-	-
- Receivables from investors	37,428,720,378	-	35,338,236,723	1,143,912,407,116	1,125,810,831,047	55,530,296,447	-	14,859,310,723	(14,859,310,723)	
- Receivables from reverse repurchase contracts	60,239,155,974	40,527,189,405	-	63,033,996,571	80,886,593,070	42,386,559,475	27,464,744,839	-	(10,041,978,000)	

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

**7. SHORT-TERM RECEIVABLES (continued)**

ITEMS	Beginning balance			Occur			Ending balance		
	Total	Overdue	Doubtful	Increase	Decrease	Total	Overdue	Doubtful	Provision
3. Other receivables	21,047,148,057	-	-	934,387,486,831	918,527,933,049	36,906,701,839	-	-	-
- Deposits for auction	2,259,671,282	-	-	-	2,259,671,282	-	-	-	-
- Deposit of purchasing asset (*)	5,610,000,000	-	-	-	5,610,000,000	-	-	-	-
- Bond interest receivables	6,338,771,770	-	-	927,228,139,435	898,534,656,762	35,032,254,443	-	-	-
- Term deposits interest receivables	6,580,000,000	-	-	7,006,711,111	11,865,000,000	1,721,711,111	-	-	-
- Other short-term receivables	258,705,005	-	-	152,636,285	258,605,005	152,736,285	-	-	-
<b>TOTAL</b>	<b>131,578,304,575</b>	<b>40,527,189,405</b>	<b>35,338,236,723</b>	<b>4,135,197,849,697</b>	<b>4,039,297,047,074</b>	<b>227,471,385,132</b>	<b>27,464,744,839</b>	<b>14,859,310,723</b>	<b>(24,901,288,723)</b>

(\*) This represents receivables of investment in building project of Him Lam Co Ltd,



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

## 8. OTHER CURRENT ASSETS

	VND	
	30 June 2009	31 December 2008
Shortage of assets awaiting for resolution	166,200,000	166,200,000
Advances	198,284,089	206,761,874
Deposits on rent houses, softwares	608,205,661	608,205,661
<b>TOTAL</b>	<b><u>972,689,750</u></b>	<b><u>981,167,535</u></b>

## 9. TANGIBLE FIXED ASSETS

	VND		
	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost:</b>			
As at 1 January 2009	3,219,787,884	9,482,667,099	12,702,454,983
- Newly purchased	-	1,004,815,248	1,004,815,248
- Transferred from construction in progress	-	144,781,235	144,781,235
As at 30 June 2009	<u>3,219,787,884</u>	<u>10,632,263,582</u>	<u>13,852,051,466</u>
<i>In which:</i>			
<i>Fully depreciated</i>	-	1,659,236,664	1,659,236,664
<b>Accumulated depreciation:</b>			
As at 1 January 2009	881,648,738	4,026,285,850	4,907,934,588
Depreciation for the period	269,452,326	1,289,328,414	1,558,780,740
As at 30 June 2009	<u>1,151,101,064</u>	<u>5,315,614,264</u>	<u>6,466,715,328</u>
<b>Net carrying amount:</b>			
As at 1 January 2009	<u>2,338,139,146</u>	<u>5,456,381,249</u>	<u>7,794,520,395</u>
As at 30 June 2009	<b><u>2,068,686,820</u></b>	<b><u>5,316,649,318</u></b>	<b><u>7,385,336,138</u></b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

#### 10. INTANGIBLE FIXED ASSETS

	VND
	<i>Computer software</i>
<b>Cost:</b>	
As at 1 January 2009	8,645,993,297
- Newly purchased	86,672,046
- Transferred from construction in progress	839,552,514
As at 30 June 2009	<u>9,572,217,857</u>
<i>In which:</i>	
<i>Fully amortised</i>	48,974,671
<b>Accumulated amortisation:</b>	
As at 1 January 2009	1,538,535,360
- Amortisation for the period	1,261,936,433
As at 30 June 2009	<u>2,800,471,793</u>
<b>Net carrying amount:</b>	
As at 1 January 2009	<u>7,107,457,937</u>
As at 30 June 2009	<u><b>6,771,746,064</b></u>

#### 11. CONSTRUCTIONS IN PROGRESS

	VND	
	<i>30 June 2009</i>	<i>31 December 2008</i>
Solution for financial and securities information	557,133,500	-
Other purchasing tangible fixed assets	164,007,596	804,730,462
<b>TOTAL</b>	<u><b>721,141,096</b></u>	<u><b>804,730,462</b></u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

## 12. LONG-TERM PREPAID EXPENSES

	VND	
	30 June 2009	31 December 2008
Office renovation expenses	2,987,741,059	4,645,047,714
Prepaid office rental expenses	-	1,310,423,274
Prepaid expenses for office equipment	1,319,581,268	1,545,819,710
<b>TOTAL</b>	<b><u>4,307,322,327</u></b>	<b><u>7,501,290,698</u></b>

## 13. DEPOSITS AT SETTLEMENT SUPPORT FUND

Deposits at Settlement Support Fund represent deposits at the Ho Chi Minh Stock Exchange.

According to Decision No. 60/2004/QD-BTC dated 15 July 2004 and Decision No. 72/2005/QD-BTC dated 21 October 2005, issued by the Ministry of Finance, the Company is required to deposit an initial amount of VND 120 million at each stock exchange and an annual additional contribution of 0.01% (in 2008: 0.008%) of the total value of dealing and brokered securities in prior years.

Movements of deposits at Settlement Support Fund during the period were as follows:

	VND	
	30 June 2009	31 December 2008
Opening balance	1,124,409,808	186,024,720
Annual additional contribution	976,700,691	978,922,732
Interest income in 2006 and 2007	-	25,487,076
<b>Ending balance</b>	<b><u>2,101,110,499</u></b>	<b><u>1,124,409,808</u></b>

## 14. OTHER LONG-TERM ASSETS

This represents long-term deposits for the lease of the Company's offices.

## 15. STATUTORY OBLIGATIONS

	VND	
	30 June 2009	31 December 2008
Corporate income tax	13,114,427,657	-
Value added tax	91,657,658	231,025,959
Other taxes	730,018,056	1,324,195,302
<b>TOTAL</b>	<b><u>13,936,103,371</u></b>	<b><u>1,555,221,261</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

#### 16. ACCRUED EXPENSES

	VND	
	30 June 2009	31 December 2008
Payables to Stock Exchange	1,833,730,038	653,578,520
Brokerage commission payables	861,881,629	80,000,000
Other accrued expenses	57,000,000	16,000,000
<b>TOTAL</b>	<b><u>2,752,611,667</u></b>	<b><u>749,578,520</u></b>

#### 17. OTHER PAYABLES

	VND	
	30 June 2009	31 December 2008
Dividend payables to shareholders	3,080,610,059	11,987,751,419
Trade Union payable	520,700,782	512,795,771
Social insurance payable	149,086,950	174,878,436
Health insurance payable	87,752,309	112,065,900
Other payables	427,709,363	137,679,669
<b>TOTAL</b>	<b><u>4,265,859,463</u></b>	<b><u>12,925,171,195</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

## 18. OWNERS' EQUITY

### 18.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve	Bonus and welfare funds	Other funds belonging to owners' equity	Undistributed earnings	Total
<b>For the year ended 31 December 2008</b>									
Beginning balance	200,000,000,000	236,099,785,000	-	3,976,374,994	10,717,087,214	3,140,567,259	914,643,935	194,595,180,551	649,443,638,953
- Increase in capital	184,634,500,000	512,460,990,000	-	-	-	-	-	-	697,095,490,000
- Profit for the year	-	-	-	-	-	-	-	23,543,011,112	23,543,011,112
- Creation of reserves and fund	-	-	-	-	15,741,214,284	13,214,514,798	1,321,451,480	(30,277,180,562)	-
- Utilisation of funds	-	9,268,000,000	-	(15,000,000)	(9,383,095,929)	(9,383,095,929)	(697,200,000)	-	(827,295,929)
- Purchase of treasury shares	-	-	(645,000,000)	-	-	430,000,000	-	-	(215,000,000)
- Bonus shares	9,999,500,000	-	-	-	-	-	-	(9,999,500,000)	-
- Dividends paid	-	-	-	-	-	-	-	(47,316,077,100)	(47,316,077,100)
- Other increase	-	-	-	-	-	-	-	1,723,983,750	1,723,983,750
<b>Ending balance</b>	<b>394,634,000,000</b>	<b>757,828,775,000</b>	<b>(645,000,000)</b>	<b>3,961,374,994</b>	<b>26,458,301,498</b>	<b>7,401,986,128</b>	<b>1,538,895,415</b>	<b>132,269,417,751</b>	<b>1,323,447,750,786</b>

VND

# Ho Chi Minh City Securities Corporation

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month ended 30 June 2009 (period from 1 January 2009 to 30 June 2009)

## 18. OWNERS' EQUITY (continued)

### 18.1 Increase and decrease in owners' equity (continued)

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve	Bonus and welfare funds	Other funds belonging to owners' equity	Undistributed earnings	VND Total
<b>For the six-month period ended 30 June 2009</b>									
Beginning balance	394,634,000,000	757,828,775,000	(645,000,000)	3,961,374,994	26,458,301,498	7,401,986,128	1,538,895,415	132,269,417,751	1,323,447,750,786
- Profit for the period	-	-	-	-	-	-	-	123,772,173,049	123,772,173,049
- Purchase of treasury shares	-	-	(755,400,000)	-	-	503,600,000	-	-	(251,800,000)
- Creation of reserves and fund	-	-	-	-	(172,398,374)	2,354,301,112	235,430,111	(2,417,332,849)	-
- Utilisation of funds	-	-	-	-	-	(335,757,500)	(304,200,000)	-	(639,957,500)
- Dividends paid	-	-	-	-	-	-	-	(11,826,407,997)	(11,826,407,997)
<b>Ending balance</b>	<b>394,634,000,000</b>	<b>757,828,775,000</b>	<b>(1,400,400,000)</b>	<b>3,961,374,994</b>	<b>26,285,903,124</b>	<b>9,924,129,740</b>	<b>1,470,125,526</b>	<b>241,797,849,954</b>	<b>1,434,501,758,338</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

**18. OWNERS' EQUITY (continued)**

**18.2 Contributed charter capital**

	VND			
	30 June 2009		31 December 2008	
	Total	Ordinary shares	Total	Ordinary shares
Contributed by shareholders	394,634,000,000	394,634,000,000	394,634,000,000	394,634,000,000
Share premium	757,828,775,000	757,828,775,000	757,828,775,000	757,828,775,000
Treasury shares	(1,400,400,000)	(1,400,400,000)	(645,000,000)	(645,000,000)
<b>TOTAL</b>	<b><u>1,151,062,375,000</u></b>	<b><u>1,151,062,375,000</u></b>	<b><u>1,151,817,775,000</u></b>	<b><u>1,151,817,775,000</u></b>

**18.3 Capital transactions with share capital and distribution of dividends**

	VND	
	For the six-month period ended 30 June 2009	For the six-month period ended 30 June 2008
<b>Share capital</b>		
Beginning balance	394,634,000,000	200,000,000,000
Increase	-	194,634,000,000
Ending balance	394,634,000,000	394,634,000,000
<b>Dividends paid</b>	<b>11,826,407,997</b>	<b>19,731,700,000</b>

**18.4 Dividends**

	VND	
	For the six-month period ended 30 June 2009	For the six-month period ended 30 June 2008
<b>Dividends declared and paid during the financial reporting period</b>		
<i>Dividends on ordinary shares</i>		
Final dividends for 2008: VND 300 per share (2007: VND 500 per share)	11,315,031,400	18,643,828,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

## 18. OWNERS' EQUITY (continued)

### 18.5 Shares

	VND	
	30 June 2009	31 December 2008
<b>Authorized shares</b>	39,463,400	39,463,400
<b>Issued shares</b>		
<i>Issued and paid-up shares</i>		
Ordinary shares	39,463,400	39,463,400
<b>Treasury shares</b>		
<i>Held by the Company</i>		
Ordinary shares	46,680	21,500
<b>Shares in circulation</b>		
Ordinary shares	39,416,720	39,441,900

Par value of outstanding share: VND 10,000 per share

### 18.6 Other funds belonging to owners' equity

The Company uses profit after tax to create the funds in accordance with Decision No. 27/2007/QD-BTC issued by Ministry of Finance on 24 April 2007 as below

	<i>Percentage of profit after tax</i>	<i>Maximum level</i>
Charter capital supplementary reserve	5%	100% of charter capital
Financial reserve	5%	10% of charter capital

### 18.7 Other funds belonging to owners' equity

Other funds belonging to owners' equity are created as the resolution of shareholders' general meeting.

## 19. OTHER REVENUE

	VND	
	<i>For the six-month period ended 30 June 2009</i>	<i>For the six-month period ended 30 June 2008 (unreviewed)</i>
Interest income from deposits at banks	15,620,541,781	33,065,240,920
Revenue from reverse repurchase contracts	3,934,410,830	16,211,347,411
Revenue from advances to investors	1,918,679,907	835,319,345
Other revenue	803,074,124	1,903,614,585
<b>TOTAL</b>	<b><u>22,276,706,642</u></b>	<b><u>52,015,522,261</u></b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

## 20. OPERATING EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2009</i>	<i>For the six-month period ended 30 June 2008 (unreviewed)</i>
Staff cost	8,440,431,062	5,598,155,711
Securities investment expenses	95,837,805,946	7,734,057,529
Brokerage expenses	6,656,921,968	4,876,550,365
Outsourced services	2,433,513,528	1,613,327,112
Depreciation and amortisation	1,570,055,607	402,626,751
Office supplies	125,205,244	20,894,906
Underwriting service expenses	12,000,000	-
Provision for a decline in value of in short-term investments	-	151,000,000,000
Other expenses	375,251,552	277,698,497
Reversal of provision for a decline in value of short-term investments	(111,762,424,150)	-
<b>TOTAL</b>	<b><u>3,688,760,757</u></b>	<b><u>171,523,310,871</u></b>

## 21. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2009</i>	<i>For the six-month period ended 30 June 2008 (unreviewed)</i>
Staff cost	6,607,465,574	7,697,874,702
Office rental	4,825,483,631	4,005,621,761
Outsourced services	3,575,729,527	6,992,514,766
Office renovation expenses	1,900,138,006	611,122,898
Depreciation and amortisation	1,250,661,566	1,098,952,660
Office supplies	581,565,311	806,060,069
Taxes and other fees	201,460,506	71,205,801
Material expense	182,762,937	67,509,711
Other expenses	887,620,174	827,740,951
Reversal of provision for doubtful debts	(7,752,656,000)	-
<b>TOTAL</b>	<b><u>12,260,231,232</u></b>	<b><u>22,178,603,319</u></b>



NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

## 22. OTHER INCOME AND EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2009</i>	<i>For the six-month period ended 30 June 2008 (unreviewed)</i>
<b>Other income</b>		
Income from transfer of right of investment (*)	14,424,300,000	-
Other income	10,095,000	46,568,441
	<b>14,434,395,000</b>	<b>46,568,441</b>
<b>Other expenses</b>	-	<b>(41,852,917)</b>
<b>NET</b>	<b>14,434,395,000</b>	<b>4,715,524</b>

(\*) This is the income from transfer of the right to invest in the building house project of Him Lam Co Ltd,

## 23. CORPORATE INCOME TAX (CIT)

The Company has the obligation to pay CIT with the rate of 20% of taxable profits for the period of the first 10 years and 25% thereafter. According to articles of the Company's Business Licence, the Company is entitled to an exemption from CIT for 2 years from the first year of earning profit (2003 - 2004) and a 50% deduction of CIT for the following 3 years (2005 - 2007).

### 23.1 Current corporate income tax expense

	VND	
	<i>For the six-month period ended 30 June 2009</i>	<i>For the six-month period ended 30 June 2008 (unreviewed)</i>
Corporate income tax for the current period	20,789,707,492	-

### 23.2 Current corporate income tax

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

## 23. CORPORATE INCOME TAX (CIT) (continued)

### 23.2 Current corporate income tax (continued)

A reconciliation between the tax expense and the product of accounting profit/ loss multiplied by the applicable tax rate for the period is presented below:

	<i>For the six-month period ended 30 June 2009</i>	<i>VND For the six-month period ended 30 June 2008 (unreviewed)</i>
<b>Profit/ (loss) before tax</b>	<b>144,561,880,541</b>	<b>(85,960,314,826)</b>
<i>Less:</i>		
<i>Non-taxable dividend income</i>	2,113,122,477	13,389,642,849
<i>Non-taxable interest income on     Government Bonds</i>	38,500,220,605	2,130,323,106
<b>Current taxable profit</b>	<b>103,948,537,459</b>	<b>(101,480,280,781)</b>
CIT expense at rate of 20%	20,789,707,492	-
<b>CIT payable at the beginning of the period</b>	-	<b>8,984,065,620</b>
Adjustment for over accrual of tax from prior period	(7,675,279,835)	(1,723,983,750)
CIT paid during the period	-	(14,935,361,705)
<b>CIT payable/ (over paid) at the end of the period</b>	<b>13,114,427,657</b>	<b>(7,675,279,835)</b>

## 24. EARNINGS/ (LOSSES) PER SHARE

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

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary to ordinary shareholders (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

#### 24. EARNINGS/ (LOSSES) PER SHARE (continued)

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

	<i>For the six-month period ended 30 June 2009</i>	<i>VND For the six-month period ended 30 June 2008 (unreviewed)</i>
Net profit after tax attributable to ordinary equity holders for basic earnings	123,772,173,049	(85,960,314,825)
<b>Net profit/loss attributable to ordinary equity holders adjusted for the effect of dilution</b>	<b>123,772,173,049</b>	<b>(85,960,314,825)</b>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	39,428,196	23,231,796
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b>39,428,196</b>	<b>23,231,796</b>

There have been no other transactions involving ordinary shares or potential ordinary shares between the interim reporting date and the date of completion of these interim financial statements.

#### 25. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Amounts</i>
Dragon Capital Group (DCG)	Shareholder	Dividend	3,666,000,000
		Selling securities	8,646,460,000
		Broker Fee	12,969,690
Ho Chi Minh City Investment Fund for Urban Development (HIFU)	Shareholder	Dividend	12,000,000,000
		Selling securities	23,137,080,000
		Broker Fee	34,705,642

Amounts due to and due from related parties at the balance sheet date were as follows:

	<i>Relationship</i>	<i>Transactions</i>	<i>VND Payable</i>
Ho Chi Minh City Investment Fund for Urban Development (HIFU)	Shareholder	Deposits for trading securities	1,444,671

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2009

**26. COMMITMENTS**

***Operating lease commitments***

The Company leases its head office at 6 Thai Van Lung, District 1, Ho Chi Minh City, transaction office at 36 Hau Giang, Ward 2, District 6, Ho Chi Minh City and branch in Ha Noi at 6 Le Thanh Tong, Hoan Kiem District under operating contracts. The minimum lease commitments as at 30 June 2009 under the operating lease agreements are as follows:

		VND
	<i>For the six-month period ended 30 June 2009</i>	<i>For the six-month period ended 30 June 2008 (unreviewed)</i>
Less than 1 year	8,713,534,134	8,438,451,804
From 1 - 5 years	5,250,768,264	7,944,943,996

**27. EVENTS SINCE THE INTERIM BALANCE SHEET DATE**

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



Mr. Lam Huu Ho  
Chief Financial Officer



Mr. Pham Minh Phuong  
Deputy Chief Executive Officer

24 July 2009