

ANNUAL REPORT 2009

CULTIVATING VALUE,  
**HARVESTING**  
CULTURE



HO CHI MINH CITY  
SECURITIES CORPORATION

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CULTIVATING VALUE,

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# HARVESTING CULTURE

*In 2009, HSC captured the momentum of the recovering economy to create change that leveraged the strengths of the company and enhanced both corporate values and industry stature. As an oyster turns sand into pearl, cultivating a gem of such rarity that its name is synonymous to great value, HSC has cultivated the opportunities posed by the challenging market, enabling the harvest of a stronger, better leadership culture and a more strategically-focused market approach.*

# who we are

## COMPANY OVERVIEW

Ho Chi Minh Securities Corporation (HSC) is a leading, premier investment and financial services provider in Vietnam, providing a comprehensive range of products for customers in one of the fastest growing economies in Asia today. We focus our core competencies in Research, Technology and Service to cater to our core customer segments in the Retail Division and Institutional Division.

HSC was established in April 2003 through the collaboration of two financial leaders, the Hochiminh City Investment Fund for Urban Development (HIFU), the City Government's investment arm that has recently morphed into the Hochiminh City Financial Investment Company or HFIC, and Dragon Capital Group, a well-established UK-based Vietnam-dedicated fund manager. In just 3 years of operations, HSC has managed to double its initial capital base of VND 50 billion to VND 100 billion in 2006, and raised twice as much in one year with VND 200 billion in 2007. The capital base further increased to VND 395 billion in 2008 and to nearly VND 600 billion in 2009.

Undergoing restructuring is already a challenge by itself, HSC managed to restructure during the most challenging period in recent financial history, the 2008 global financial crisis. Emerging better and stronger than ever, in May 2009, HSC was officially listed in the Hochiminh Stock Exchange (HOSE) under the HCM code.

Through visionary management and exemplary market performance, HSC has secured a position in the Top 4 securities companies in the country. At present, a strong capital base of nearly VND 600 billion (VND 1.55 trillion in total shareholders' equity) has enabled HSC to further expand its distribution network to 3 transaction centers in Ho Chi Minh City and 3 in Hanoi. HSC is also leading in terms of providing secure, real-time, accessible information for investors by connecting them directly to the HOSE and HNX trading floors via a state-of-the-art "Direct Market Access" online transaction system, Vi-trade.

The volatile financial markets have produced a more cautious, discerning group of investors. HSC will continue to fulfill its role to provide faster, better, more accurate information to enable our customers to form quicker and more informed financial decisions. For the investors of today, HSC is the ideal partner for financial growth.

## VISION

We aim to lead the securities industry and markets in Vietnam, to become the country's most admired, trusted, and valued financial institution, and to be a major contributor to the sustainable development of Vietnam's capital markets.

## MISSION

In order to attain our ambition, we set ourselves apart, in a class above the rest, and raise the standard for professionalism, innovation, ethics and human interconnection.

what  
drives  
us

## CORE VALUES

At HSC, we strive to be true to our corporate values, and to act on them in everything we do...

- **HIGH LEVEL OF INTEGRITY**

To build a high level of trust from our clients, investors and those in the securities business in Vietnam and beyond.

- **HIGH STANDARD OF WORK ETHIC**

At all levels, our staff is dedicated to providing the best service to our clients, going the extra mile for our partners, and forging strong relationships with all our stakeholders.

- **HIGH LEVEL OF PROFESSIONALISM**

Constantly developing and adopting best practices; upgrading our expertise and processes to execute all transactions in the best interests of our valued clients.

# cultivating capabilities,



# harvesting synergy



C O L L E C T I V E

## MANAGEMENT

*HSC prepared a “launch pad for growth” in the implementation of its collective management system in 2009. This system elevated the management structure, empowered the members of the top and middle management teams and provided them with more opportunities to own and contribute to the growth of the company.*

*Collective management enabled HSC to cultivate the capabilities of its leaders, utilizing the experience and expertise of the members of the Management Team and harvesting a synergy to improve processes and increase productivity for the company.*

# the cultivation of a gem

## MESSAGE FROM THE MANAGEMENT TEAM

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**Dear Shareholders, Customers,  
Business Associates, and Colleagues,**

### **A year of turbulence but with a dramatic turnaround**

The year 2009 brought many surprises to Vietnam's securities markets and their participants. But despite their tumultuous behavior, Vietnam's securities markets offered many participants, including ourselves, a year of windfall opportunities and profitability.

The first three months of the year saw average daily trading value of HOSE and HNX combined at under VND 300 billion, and prompted many people, including ourselves, to be prepared for the worst case scenario, and to plan for a long recession period ahead.

Various measures taken by the government to stimulate the economy and ride out the financial crisis have yielded positive results and bolstered the securities markets to a complete turnaround situation starting from the second quarter 2009. The dramatic turnaround lasted throughout the rest of the year, although the markets retrenched somewhat in the last two months of 2009. For the large part of second and third quarters, volumes in the equity markets increased many folds compared to what it was in the first quarter, reaching an average trading value of VND 2.5 trillion per day for the whole of 2009, and on certain days the markets' combined trading value reached above VND 9 trillion, or 30 times the first three months' average.

#### **Management Team**

*From right to left:*

1. Mr. Johan Nyvene
2. Mr. Pham Minh Phuong
3. Mr. Le Cong Thien
4. Mr. Fiachra Mac Cana
5. Mr. Bach Quoc Vinh
6. Mr. Kelly Yin Hon Wong
7. Mr. Trinh Hoai Giang
8. Mr. Johan Kruimer



With record trading volumes and with the VNIndex closing the year 60% above its starting point at the beginning of the year, we have closed our financial year of 2009 with a satisfactory level of profitability. With net profit before tax of VND 336 billion and net profit after tax of VND 278 billion, our bottom line exceeded plan as approved in the last General Shareholders' Meeting by 126%.

One of the most significant developments in our core businesses is a record increase in brokerage fee income and its contribution percentage to total revenue. Brokerage fee income increased by 256% compared to 2008 and contributed 30% of total revenue compared to a typical 15%-20% in prior years. With strengths in both the institutional and retail segments, we raised our total market share from 4.5% in 2008 to about 5% in 2009, securing HSC a top four position in terms of market share in a very competitive business among 100 plus securities companies in the country.

This was the first year that HSC had generated sufficient revenue from brokerage activities to pay for all of our operating expenses, which means that all income we earned from the capital base was for the benefit of shareholders. Moreover, this development illustrated that we were well on track in our strategy to focus on generating more fee income businesses and in particular developing our brokerage business, in order to steer away from the exposure and risks associated with proprietary trading, which is a common business among most securities firms in this market.

At the heart of our brokerage distribution network on the Retail side, people capital were a core achievement where we have fully rolled out an efficient structural hierarchy that divides our physical distribution network into regions (northern and southern), transaction offices, supervised units, and ultimately brokers and remisiers. In addition to the remisiers, our physical distribution network was expanded during the year to six transaction offices, three in Ho Chi Minh City and three in Hanoi.

Besides our distribution network, one of the main factors contributing to our acquisition of additional market share in 2009 was HSC's launch of a suite of margin products, which amplified retail investors' leveraging power. HSC's significant advantage over many competitors in margin product capabilities was our robust capital base of VND 1.5 trillion (out of a balance sheet of about VND 2 trillion). This capital base relieved us from relying on commercial banks which sometimes subjected securities firms and securities investors to the whims of the market's credit availability. Since the launch of the margin programs, we have allocated approximately 30% of our balance sheet (40% of our capital base) for the margin products. We anticipate that the capital requirement for these programs will increase rapidly in the future, as our margin products become more familiar and popular with the retail investors, and as we continue to expand our retail distribution network.

# MESSAGE FROM THE MANAGEMENT TEAM

WITH NET PROFIT BEFORE TAX OF VND 336 BILLION AND NET PROFIT AFTER TAX OF VND 278 BILLION, OUR BOTTOM LINE EXCEEDED PLAN AS APPROVED IN THE LAST GENERAL SHAREHOLDERS' MEETING BY 126%.

With the sophistication of our technology and risk management capabilities, the margin products have gradually replaced the banks' share mortgage programs and "repo" products on the unlisted shares.

To further branch out with remote access, we also significantly enhanced Vi-Trade, our internet trading platform, and have in 2009 launched VIP-Trade, the new internet order placement plus real time trading information terminal. With these new tools, we have achieved new records in terms of internet trading volumes. In 2009, the percentage of transactions made through internet channels increased from 16% of the total at the beginning of the year, to 42% of our total transaction volume at the end of the year, and internet accounts made up 48% of all retail accounts at HSC as at end of December 09. The number of internet trading accounts grew by 1,064% in 2009. We also signed a cooperation contract with HDBank, our main commercial bank partner, to distribute and set up new Vi-trade accounts through HDBank's retail branch network.

In the Institutional Brokerage business, HSC has consistently maintained our position as a leader in the industry in 2009, proven by our ranking of either first place or second place in terms of market share from month to month (according to HOSE's reports). Research capabilities played the most significant role in the Institutional business and HSC's research products continued to be well received and highly regarded in the market by institutional investors both domestically and internationally.

Capital strengths were also a significant factor in our capabilities to support institutional investors in terms of providing liquidity and underwriting capabilities. In 2009,

we booked a number of bond repo transactions for institutional bond investors, and throughout 2009, we allocated up to 15% of our balance sheet to these bond repo programs.

While we have conscientiously strategized to reduce our exposure on the proprietary investment front, in 2009 we still had on the average VND 550 billion (27% of our balance sheet) in government bonds as a legacy balance from a major opportunity in 2008, and VND 330 billion (16% of our balance sheet) in the equity portfolio which consisted of listed positions as well as unlisted positions accumulated from the prior years. We had excellent opportunities to cash in on both the equity and bond portfolios and had therefore by the end of 2009 reduced the bond portfolio size down by 90% and maintained the equity portfolio size at the level of about VND 300 billion, or 15% of our balance sheet. The cashing in of the bond portfolio yielded a profit of VND 119 billion, effectively a 22% return. The equity side produced a profit of VND 77 billion which translates into a return of 23.4% (this return rate included both the OTC positions and the listed positions. The return on the listed portfolio separately was 45%).

The investment banking business faced tremendous challenges in 2009, originating from a weak market environment in late 2008 which carried forward to the first quarter of 2009. The business requires a certain amount of lead time to convert prospects to income and with a market recovery in the 2<sup>nd</sup> quarter of 2009; it was enough to put our business behind. Revenue generation was low in the first half of the year and did not pick up until the last quarter of 2009 which impacted the overall profitability of the business.

The primary market business was also greatly impacted and with the slow global recovery, investor interest in Vietnam was low. The second half of the year saw improved market conditions which marginally helped our business near the year end but prepared us for a strong start to 2010.

From a business strategy perspective, 2009 was a year of transition and consolidation. We redesigned our business model and invested heavily in people capital and systems in anticipation of change in market demand for quality and execution.

MESSAGE FROM  
THE MANAGEMENT TEAM

People capital came to form an important part of our growth strategy and as such was included as the third key element of our capital base, which includes, financial capital, reputation and people capital. Our overall capabilities improved drastically through this investment which saw a significant improvement in product and service development. As a team, we became more client-focused, which should pay dividends in the next two years.

Looking ahead to 2010, we should not only see a larger flow of deals, but also an improved quality and size of deals. This is part of a change in market dynamics for 2010, in which we believe that buyers and sellers will look for larger and better quality deals. In anticipation of this, we have made some of the necessary investments in order to prepare for this in 2009 and will continue to invest in 2010, and the primary return on this investment will likely pay dividends in 2011 and beyond.

A few anecdotal facts and figures on our revenue base are as follows:

1. Total revenue was 128% higher than planned while total operating expenses (including the bonus expense) exceeded the budget by 65%.
2. We have processed more transactions and brought in more brokerage fee income in 2009 than ever before (brokerage fee income exceeded plan by 188%). However, income from proprietary investment, from both bonds and equity, still contributed to more than 50% of total revenue.
3. Besides income from bonds and equity trading, retail brokerage fee income was the next biggest item as it made up 14% of our total net revenue and exceeded plan by 233%.
4. In its first year, margin products contributed to 10% of total net revenue and appeared to grow hand in hand with brokerage fee income in the Retail segment.
5. Institutional brokerage fee income contributed about 25% of all gross brokerage fee income (or slightly more than one third (36%) of Retail brokerage income).

### A new chapter in our history

2009 was also a year of milestones for HSC as we became a listed company on the Hochiminh City Stock Exchange (HOSE), only the second securities firm in the country to do so. On 19 May 2009, we listed nearly 40 million shares of HSC under the listing code of HCM at the starting price of VND 27,000 (the share's book value was VND 36,099 at 30 June 2009). The reason for us to submit a starting price which was lower than the book price was because HSC shares were being traded in the unofficial market at around VND 20,000 at that time, and the rationale for the starting price of VND 27,000 was that it was the mid-price between the unofficial market price and the book price.

An unprecedented phenomenon in the VNIndex was achieved as our share price hit the ceiling price (plus 5% per day) for 20 days consecutively (due to lack of sellers), setting a new record on HOSE.

HCM's price peaked at VND 102,000 on 22 October 2009 when the VNIndex was at 624 points. Our share price closed at VND 57,500 on 31 December 2009 (effectively VND 86,250 pre-dilution), gaining 219% from when it was first listed, outperforming the VNIndex's gain of 58% over 2009.



# MESSAGE FROM THE MANAGEMENT TEAM

WE ARE CONFIDENT THAT THE CULTIVATION OF HSC'S GROWTH PLATFORM AND ENGINES HAS PRODUCED A STRONG AND COMPETITIVE COMPANY AND A VALUABLE BRAND.



With EPS of more than VND 7,000 for 2009, and return on average equity of 19.4%, we believe HSC was one of the most profitable securities firms in the market. But more importantly, we believe HSC's share price has established a benchmark among the financial stocks and in particular among the securities firms, where our brand is regarded as one of the most valued names in the securities industry in Vietnam and our share price reflects that level of prestige.

In late 2009, our shareholders and the State Securities Commission approved our proposal to issue 19,699,386 bonus shares (a 2 for 1 ratio) at par value of VND 10,000 per share by using part of our capital surplus. This issuance will bring the number of outstanding shares to 59,162,786 and at the current price of VND 62,000 per share (at the time of writing) our market capitalization is VND 3.67 trillion.

## Cultivating a Culture

Our listing on HOSE means that HSC has become a truly diversified company, with diversified shareholders, given the fact that we are one third government owned, one third

foreign owned, and one third public owned. As we advance to the next level of development, the need for efficient management and the strengths of our diversely experienced top management team have culminated a change in our management culture, and induced us to embrace the concept of *collective management*. As a company with much diversity in the composition of our shareholders, personnel, and customer segments, communication and policy making continue to be challenges that we have tackled with perseverance, creativity, and flexibility. In 2010, we plan to invest further into communication education to raise staff awareness of HSC's evolved culture, and to drive home the *collective management culture*.

We continue to manage HSC by individual business functions and by geographical locations. The two dimensional management model while requiring what appears to be cross reporting and overlapping lines, has tightened the communication channels and increased accountability. While each business function manages its own profitability and return, at the top management level, members of the managing director team have equal stakes and accountability in managing the entire firm, in support of all business lines. Furthermore, we have established specific functional committees (including an investment committee and a credit committee) which involve the participation of various managing directors, to make collective directions and decisions in those areas.

## Further strengthening of our management structure

In 2009, we have appointed for the first time at HSC the Chief Operating Officer (COO) position. This major enhancement in our top management structure underlines our continuous endeavor to strengthen our risk management capabilities and processing capabilities to accommodate and anticipate a more sophisticated market environment ahead. It is doubtless that the market will pave the way for further developments in margin trading, short selling, and derivative products in the future. Furthermore, the strengthening of our operational and risk management capabilities will accommodate the expansion of our distribution network, which is well under way.

Besides the new COO position, we have also made other major appointments in our top team, including a new Managing Director and Head of Individual Brokerage & Sales,

MESSAGE FROM  
THE MANAGEMENT TEAM

a new Managing Director and Head of Investment Banking, and a new Managing Regional Director of the Northern Region. The alignment of the management of our business functions and supporting functions is now deemed complete, and we believe HSC is well-positioned to achieve further sustainable growth.

**Cultivating a Future**

To prepare for consistent growth and future expansions, we have made an investment into part of a prominent building in the CBD of District 1, HCMC, where we will house our headquarters in the near future. Taking advantage of a slow office rental market in HCMC and in order to hedge our forex exposure, we have taken a 40-year lease of about 2,000sqm of the A&B Building and plan to move our head office to this building sometime in late 2010. The benefits of having a prominent and stable head office would relieve us from worrying about fluctuations in the office rental market, as well as allow us to invest further into a robust IT infrastructure, which is the backbone of the brokerage business and one of HSC's most competitive advantages.

Our IT infrastructure continued to prove HSC a leading brokerage house as we consistently registered some of the fastest order placement success rates at HOSE. In early 2010, HSC was also one of a few securities firms that were qualified and selected by HNX to conduct transactions on Direct Market Access channels at HNX's initial DMA launch.

**Harvest Time**

Throughout the first two months of 2010, the year has shown signs that there will still be many challenges ahead for the securities market and securities industry. However, we are confident that the cultivation of HSC's growth platform and engines has produced a strong and competitive company and a valuable brand. Taking this opportunity, we would like to state our sincere appreciation for the solid trust and support we have received from all shareholders, strategic investors, customers, partners, and colleagues. Please accept once more, our commitment and resolution, to relentlessly work at refining HSC into an exquisite gem in its own class.

31 March 2010

HSC's Management Team:



**Johan Nyvene**  
Chief Executive Officer



**Trinh Hoai Giang**  
Chief Operating Officer



**Le Cong Thien**  
Managing Director and  
Head of Individual  
Brokerage and Sales



**Pham Minh Phuong**  
Managing Director  
and Head of Principal Investment



**Johan Kruimer**  
Managing Director  
and Head of Institutional  
Brokerage and Sales



**Fiachra Mac Cana**  
Managing Director and  
Head of Research



**Kelly Yin Hon Wong**  
Managing Director and  
Head of Investment Banking



**Bach Quoc Vinh**  
Managing Regional  
Director of the Northern Region

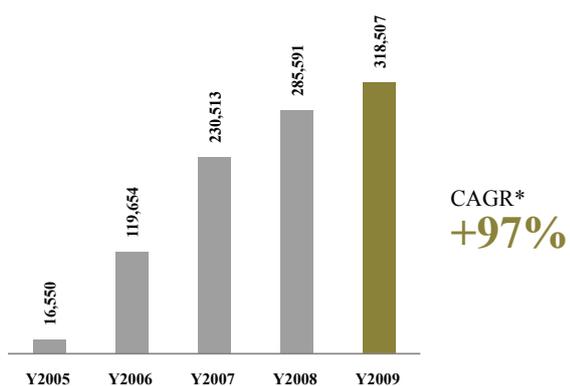
# FINANCIAL HIGHLIGHTS FOR 2009

	Y2005	Y2006	Y2007	Y2008	Y2009
<b>Statement of income</b> (VND million)					
Revenue	16,550	119,654	230,513	285,591	318,507
In which:					
- Brokerage and sales	706	7,650	33,517	32,601	121,204
- Principal investment (net)	12,380	103,033	174,179	150,792	95,024
- Investment banking	2,054	2,897	3,543	8,719	3,147
- Margin income	457	4,886	13,301	30,547	43,742
- Deposit interest income	953	1,188	5,973	62,932	55,390
Operating expenses	10,065	18,313	50,275	71,922	116,895
Provision/(reversal) for diminution of stocks	-	-	-	157,468	(108,459)
Provision/(reversal) for doubtful debts	-	-	32,082	32,654	(11,807)
Operating profit	6,485	101,341	148,156	23,547	321,878
Extra ordinary profit/(loss)	1,872	(135)	(58)	(4)	14,435
Profit before tax	8,357	101,206	148,098	23,543	336,313
Profit after tax	7,869	90,970	132,145	23,543	278,119
<b>Balance sheet</b> (VND million)					
Total assets	200,748	389,953	1,322,158	1,479,210	2,089,537
Shareholders' equity	62,094	160,881	649,443	1,316,046	1,538,496
<b>Financial Indicators</b>					
Return on average equity (ROAE)	11.4%	50.3%	25.4%	1.8%	19.5%
Return on average assets (ROAA)	5.7%	30.8%	15.4%	1.7%	15.6%
<b>Equity's Value</b>					
Number of shares	5,000,000	10,000,000	20,000,000	39,463,400	39,463,400
Earning per share - VND	1,574	9,097	10,718	601	7,056
Book value per common shares - VND	12,419	16,088	32,472	33,349	38,985
Dividends	1,300	1,300	1,500	1,000	2,000 <sup>(*)</sup>

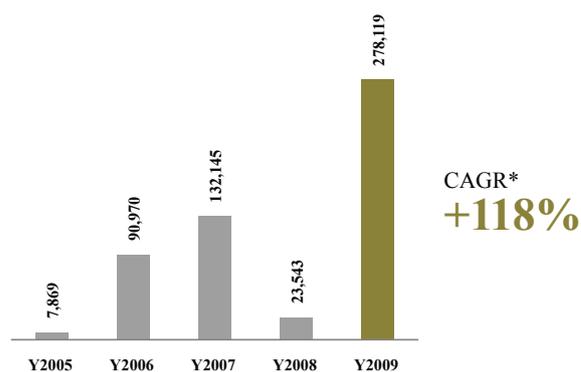
(\*): Estimated for Y2009

## FINANCIAL HIGHLIGHTS FOR 2009

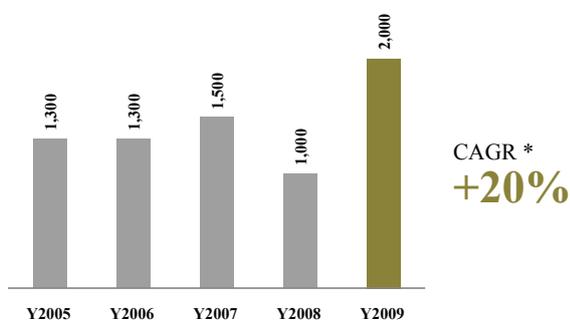
Revenue (VND Million)



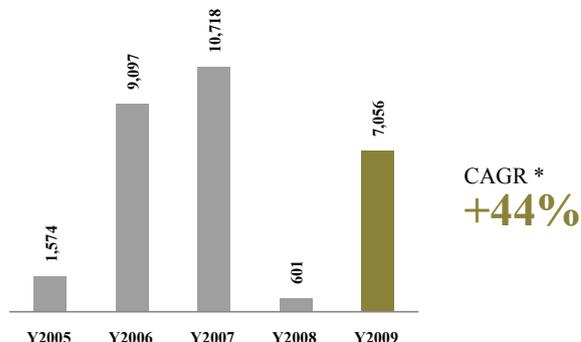
Net Profit After Tax (VND Million)



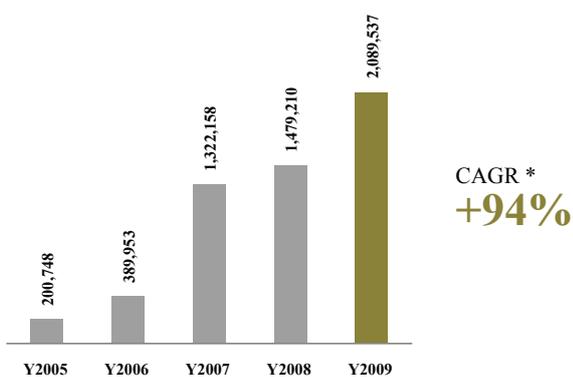
Cash Dividends Per Share (VND)



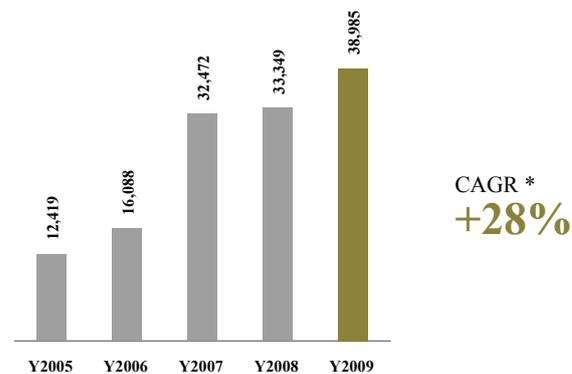
Earning Per Share (VND)



Total Assets (VND Million)



Book Value Per Common Share (VND)



CAGR\*: 5 years compounded annual growth rate

# BOARD OF DIRECTORS



## 1. MS. NGO KIM LIEN

### *CHAIRWOMAN*

- Appointed Chairwoman of Hochiminh City Financial Investment Company (HFIC) in March 2010.
- Appointed as Chairwoman of the Board of Directors of HSC in June 2007.
- Appointed as General Director of Hochiminh City Investment Fund for Urban Development (HIFU).
- Held the position of Deputy Director of the Department of Finance after years of services.
- Completed her education at HCM University of Finance.
- Made significant contributions to HSC in terms of corporate leadership and strategic direction to develop the company into a leading finance and securities firm in Vietnam.

## 2. MR. LE ANH MINH

### *DEPUTY CHAIRMAN*

- Joined Dragon Capital Group as Director in 2002, in charge of financial responsibilities of the Group.
- Employed as Planning Manager of HIFU since 1977.
- Became Finance Director of Coca-Cola Southeast Asia for 4 years.
- Managed business development and credit department as Deputy General Director of Dai Nam Bank from 1994 to 1996.
- Started career at Peregrine Capital in 1991, at the same time completed the receivership and restructuring of Dai Nam Bank.
- A Fulbright Research alumnus with a Bachelor's Degree from Banking University and post-graduate diploma from Wharton Business School, University of Pennsylvania, USA.

## 3. MR. DO HUNG VIET

### *DEPUTY CHAIRMAN*

- Appointed as permanent Deputy Chairman of the Board of Directors since mid-2006.
- Made substantial contributions to operations thanks to vast experience in stock market.
- Worked as Fund Manager of HIFU from 1998 to 2002; was one of the active members of the HSC Establishment Operating Committee and appointed Director of HSC from 2003 to 2006.
- Finished a degree in Business Administration in 1995 and a degree in Banking in 1977 at HCM University of Economics; Studied law at Saigon University of Law from 1972 to 1975.

## 4. MR. JOHAN NYVENE

### *MEMBER*

- Appointed as member of Board of Directors and Chief Executive Officer of HSC in 2007.
- Joined Dragon Capital Group in 2007 as Director following 17-year career in corporate and institutional banking.
- Held several senior management positions in HSBC Bank Vietnam from 1998 to 2007.
- Spent 9 years with First Union Bank (Wachovia) in the US.
- Served as Board Governor for American Chamber of Commerce in Vietnam.
- Educated in Finance at Philadelphia University and La Salle University in Philadelphia, Pennsylvania, USA.

## BOARD OF DIRECTORS

## 5. MR. HOANG DINH THANG

## MEMBER

- Appointed as member of the Board of Directors in June 2007.
- Held the position of Deputy Investment Manager of Lisin Company from 1990 to 1993.
- Became Planning Manager of HIFU in 1977.
- Obtained a Ph.D in Economics at Central Asia Economics Institute, Taskent, (former) Soviet Union.
- Trained in investment consulting, bidding and project management. Expertise in Economics and experience working with foreign counterparts contributed much to the development of HSC.

## 6. MR. PHAM NGHIEM XUAN BAC

## MEMBER

- Member of the Board of Directors since 2003.
- Appointed as General Director of Vision & Associates in 1999.
- Held prior positions of Legal Expert at Patent Bureau of the Ministry of Science and Technology, as well as Deputy Chairman, First Deputy General Director and Lawyer at Investconsult Group Vietnam.

- Gathered an impressive list of educational achievements, namely: Bachelor's Degree in Automotive Engineering from Moscow Engineering Institute in 1984, post-graduate studies at Moscow Intellectual Property Law Institute in 1985, Bachelor of Law from Hanoi Law University in 1995 and an MBA from Henley Management University in London in 2001.
- Made significant contribution to HSC in areas relating to legal compliance.

## 7. MR. NGUYEN QUYET CHIEN

## MEMBER

- Appointed as member of the Board of Directors in 2003.
- With 20 years experience in investment and finance.
- Served as Director of Planning & Administration at Ho Chi Minh City Infrastructure Corporation since 2006.
- Assigned as Head of Finance and Securities Committee of HIFU from 1997 to 2006.
- Earned a Ph.D in Business Administration from HCM University of Economics in 2003.

## AUDIT COMMITTEE



## 1. MR. VO VAN CHAU

## HEAD

*Head of HSC Audit Committee.*

## 2. MS. NGUYEN THI THANH VAN

## MEMBER

*Member of HSC Audit Committee and Chief Executive Officer and General Director of Tu Luc Company.*

## 3. MR. DOAN VAN HINH

## MEMBER

*Member of HSC Audit Committee and Chief Financial Officer of Saigon Co.op Investment and Development Company.*

# MANAGEMENT TEAM



1. **MR. JOHAN NYVENE**

*CHIEF EXECUTIVE OFFICER*

- Appointed as Chief Executive Officer of HSC in 2007.
- Joined Dragon Capital Group in 2007 as Director
- Held several senior management positions in HSBC Bank Vietnam from 1998 to 2007.
- Worked for 9 years with First Union Bank (Wachovia) in the US.
- Educated in Finance at Philadelphia University and La Salle University in Philadelphia, Pennsylvania, USA.

2. **MR. PHAM MINH PHUONG**

*MANAGING DIRECTOR*

*Head of Principal Investment*

- Held several senior management positions in HIFU prior to joining HSC.
- Started his career at PETEC Investment & Trading Company.
- Obtained a degree in Economics at HCM University of Foreign Trade and Master in Business Administration and Finance from Bentley University.

3. **MR. TRINH HOAI GIANG**

*CHIEF OPERATING OFFICER*

- Served as Corporate Finance Director of Dragon Capital prior to joining HSC.
- Member of Vietnam Bond Market Forum.
- Started his career at Vietcombank and was nominated for the prestigious Fulbright Program.
- Obtained degrees in Information Technology from Technology University and in Finance from HCM University of Economics as well as an MBA from Thunderbird School of Global Management in the US.

4. **MR. KELLY YIN HON WONG**

*MANAGING DIRECTOR*

*Head of Investment Banking*

- Held the position of Corporate Relationship Manager in HSBC Vietnam prior to joining HSC.
- Started his career with Pepsi Bottling Group as Sales Representative in 2002 after internship at Zefer Corp in Boston, USA.
- Graduated from University of British Columbia, Canada with a double degree in Accounting and Management Information Systems.
- Obtained the Asia Pacific Management Coop Diploma from McRae Institute of International Management in Canada in 2004.

## MANAGEMENT TEAM



**5. MR. BACH QUOC VINH**  
**MANAGING REGIONAL DIRECTOR**  
**OF THE NORTHERN REGION**

- Started career in HSC as Branch Director of Hanoi branch in June 2007 and was promoted to the position of Managing Regional Director of Northern Region in February 2010.
- Held several management positions for Prudential Vietnam such as Unit Manager, Branch Manager in Hanoi and Director of General Agency in Nghe An and Ha Tinh provinces prior to joining HSC.
- Started career in Sales with Coca-Cola Hanoi from 1997 to 2007.
- Graduated with a Bachelor's degree in Foreign Economics from Hanoi Foreign Trade University in 2007 and an MBA major in Finance from Orwine University, UK in 2009.

**6. MR. JOHAN KRUIJMER**  
**MANAGING DIRECTOR**  
*Head of Institutional Brokerage and Sales*

- Held senior management positions at Pacific Basin Invest B.V., ABN-AMRO Bank and Krediet Bank Luxembourg prior to joining HSC.
- Has over 20 years of experience in securities brokerage in Europe and Asia.
- Founder and Managing Director of Asian Pacific Partners in Amsterdam.
- Obtained a Master's degree in Finance and Investment from Free University of Amsterdam.

**7. MR. LE CONG THIEN**  
**MANAGING DIRECTOR**  
*Head of Individual Brokerage and Sales*

- Held a number of senior corporate banking roles with Vietcombank, Deutsche Bank AG, Citibank and ANZ Vietnam prior to joining HSC.
- Has strong track record with 18 years of experience in banking products, risk assessment and local business development.
- Obtained degree in Banking & Finance from HCM University of Banking and an MBA from Maastricht University, Netherlands.

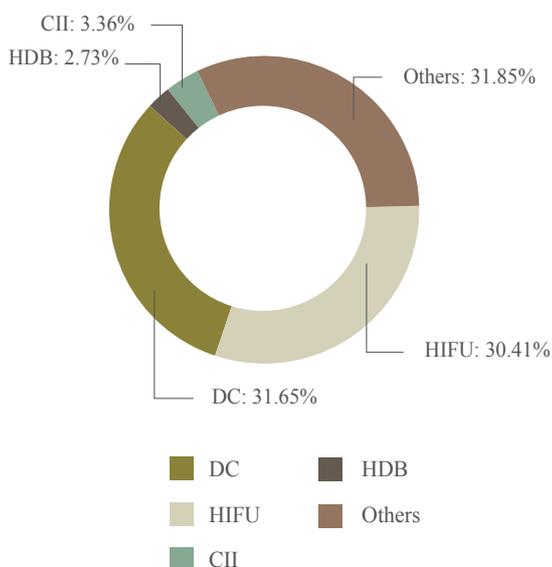
**8. MR. FIACHRA MAC CANA**  
**MANAGING DIRECTOR**  
*Head of Research*

- Led VinaCapital's Research Department and held the position of Managing Director and Head of Brokerage for VinaSecurities prior to joining HSC.
- Has over 18 years experience in Investment Banking in London and Tokyo.
- Worked as Head of Research for Japanese Equities with WestLB from 1997 to 2000.
- Founder of JCN Network, a leader in Japanese corporate news.
- Recognized in the Top 15 Japanese strategists in 2003 by Asia Money.
- Graduated with a Bachelor of Commerce (Honors) in Dublin, Ireland.

# SHAREHOLDERS' INFORMATION

AS OF 31 DECEMBER 2009

<b>DC:</b>	<b>12,490,000 (31.65%)</b>
<b>HIFU:</b>	<b>12,000,000 (30.41%)</b>
<b>CII:</b>	<b>1,325,238 (3.36%)</b>
<b>HDB</b>	<b>1,075,517 (2.73%)</b>
<b>Others:</b>	<b>(31.85%)</b>



- 1. Dragon Capital Group (DC)**  
Unit 1901 Me Linh Point, 02 Ngo Duc Ke Street,  
Dist. 1, HCMC

Founded 1994 in the UK, Dragon Capital is a non-bank financial institution providing investment bank services such as fund management, corporate finance and investment research capabilities. DC manages the largest offshore listed Vietnam funds focused on core economic sectors with combined total assets of approximately US\$ 1.4 billion.

- 2. HCMC Investment Fund for Urban Development (HIFU)**  
33-39 Pasteur Street, Dist. 1, HCMC

HIFU was established on 10 September 1996, by the HCMC government to raise capital for socio-economic infrastructure and key industrial projects of the city aside from providing financial and investment consulting services.

- 3. Hochiminh City Infrastructure Investment Joint Stock Company (CII)**  
164 Ky Con Street, Thai Binh Ward, Dist 1, HCMC

Hochiminh City Infrastructure Investment (“CII”) was established in 2001 as a financial organization tasked with forming new capital mobilization channels to draw mid-term and long-term investment capital from financial organizations, public investors and from different economics sectors.

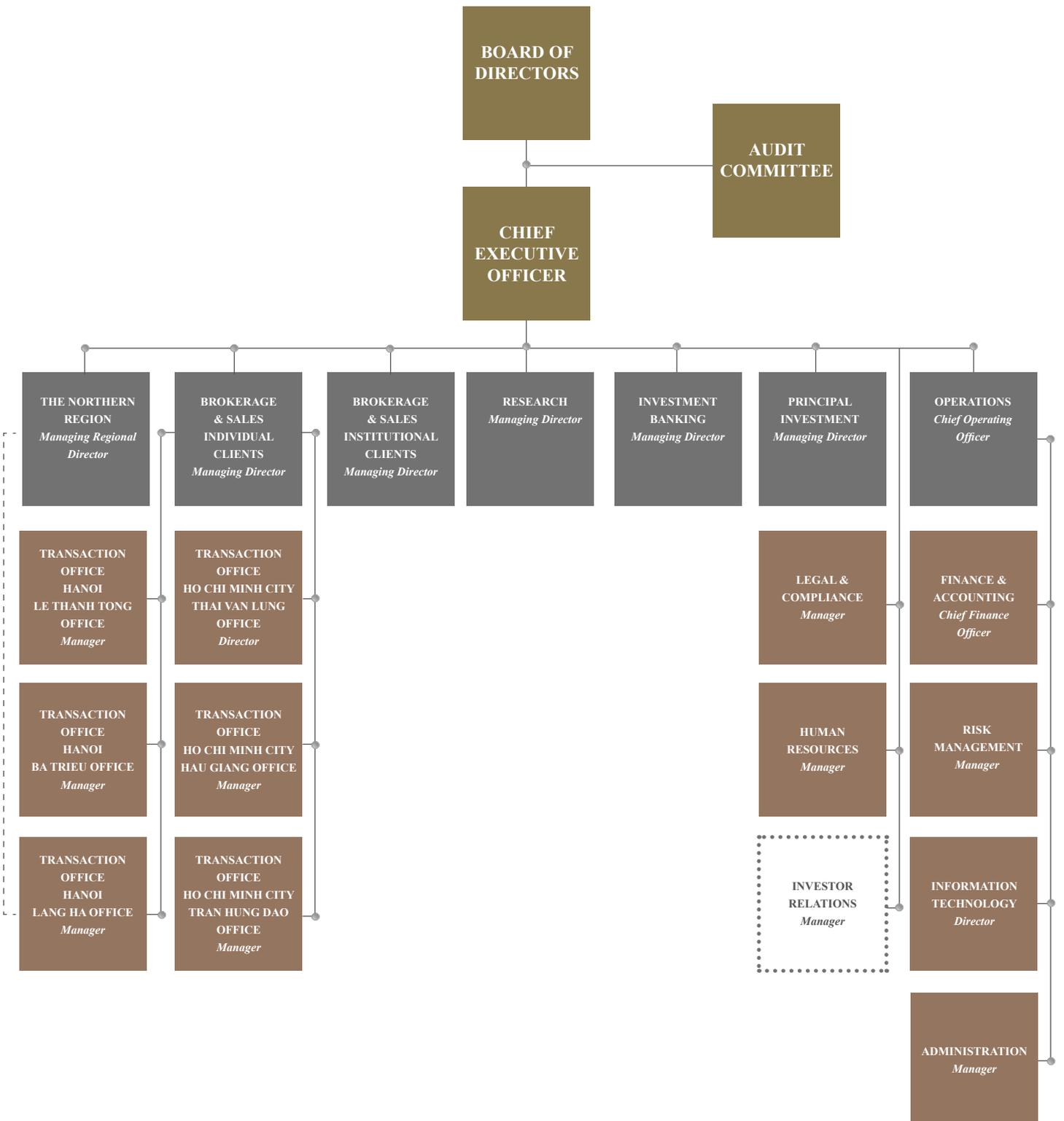
- 4. Housing Development Bank (HDBank)**  
58 Nguyen Dinh Chieu Street, Dist. 1, HCMC

Established on 1 April 1990, HDBank is one of Vietnam’s first joint stock commercial banks. HDBank has established a reputation for its commitment to sustainability, modern technology, and client-oriented products and services.

- 5. Others**

HSC shareholders, both individual and corporate, come from a variety of local and foreign industries, from finance to real estate, to retail and manufacturing. This diversity reflects on the viability of HSC shares in the market.

# ORGANIZATIONAL CHART



# cultivating performance,



# harvesting achievement



H O S E

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## LISTING

*In Q2 2009, HSC successfully listed in the Hochiminh Stock Exchange (HOSE) under the HCM code. HSC stock made a phenomenal leap in terms of the rise from initial share price, undergoing a record breaking 20 days of continuous rise based on maximum allowable percentage of 5% increase on its accumulated share price. No other securities company listed in HOSE was able to reach the same achievement.*

*HSC cultivates this impressive stock performance, developing and executing detailed objectives that optimize the influx of capital to consistently harvest numerous achievements and ensure the shareholders' continued advantage.*

# VIETNAM'S ECONOMIC OVERVIEW



## MACROECONOMICS OUTLOOK

### GDP

For FY2010, HSC's model forecasts a real GDP growth rate of 6.3%, slightly lower than the official forecast of 6.5%. This represents a clear improvement on last year's growth rate but remains somewhat below the ten-year average growth rate of 7.3%. We also assume nominal GDP growth of 17.5%.

We are also forecasting a 15.2% increase in industrial production to a total of VND 803 trillion. By principal segment, we are forecasting that the state-owned sector will recover strongly by 16.9% y/y to VND 197 trillion; the non-state sector will grow by 13.9% y/y to VND 278 trillion and for the foreign-owned sector to gain 15% y/y to VND 326 trillion. The reason for the strongest growth in the state sector is twofold; this segment is coming from a very low base year and some of the key state-owned companies will still have access to low interest rate loans.

In terms of retail sales, HSC is forecasting a nominal increase of 33% y/y in retail sales to a total of VND 1,588 trillion. We base this on a nominal HSC FY2010 GDP growth forecast of 17.5% y/y and a FY2010 CPI forecast of 11.5%.

### BOP

The balance of payments for FY2009 came to a deficit of US\$ 6.6 billion, according to World Bank report dated in early December last year and we estimated that gross international reserves fell to US\$ 14.5-US\$ 15 billion at 2009 year end. FY2009, however in our opinion was a tough year for the balance of payments deficit and foreign currency reserves. Which means that in FY2010, we think things will get relatively better.

### Trade Balance

In FY2009, the trade deficit fell from US\$ 16.95 billion to US\$ 12.38 billion. Exports dropped by 9.7% y/y to US\$ 56.54 billion while imports slid 13.4% y/y to US\$ 68.92 billion. This was somewhat worse than HSC's model which predicted that FY2009 exports would reach US\$ 55.44 billion (-11% y/y); and year-end imports would reach US\$ 66.27 billion (-17% y/y). We were also forecasting a trade deficit of US\$ 10.8 billion.

For FY2010, HSC is forecasting a 14% y/y jump in exports to US\$ 64.7 billion and a 16% y/y increase in imports to US\$ 79.6 billion. This would leave us with a trade deficit of US\$ 14.9 billion, higher by 21% y/y.

### The Currency

After the devaluation just before the Tet holiday, the forex market is currently stabilizing with unofficial rates moving closer to the trading band. This may be partly because of driving factors, such as the discrepancy between domestic and international prices of gold which is now no longer an attractive speculative factor. And therefore, the benefit of hoarding USD is now much smaller than it was before. It may also be because of a bigger supply of USD in the system thanks to the FDI increase of US\$ 1.1 billion for the first 2 months of 2010, which is a 10% rise from the same period last year.

For long-term view, however, the VND seems to continue its long-term depreciation versus the USD this year although at a slower pace than in FY2009. A continuing trade deficit coupled with a relative lack of confidence in VND assets are both seen as long term structural themes that won't go away any time soon. And they will also remain the dominant themes in the forex market again this year. There are several key factors which we believe will support the slower rate of depreciation:

- Improving economic conditions globally will set the stage for a likely improvement in USD inflows from exports, ODA, remittances and FDI as our BOP model indicates. Recent credit support undertaken by local banks focused on the export and manufacturing markets also indicates that the market is seeing lower credit risks in this area. This should lead to higher export-related dollar inflows in FY2010.
- We predict that monetary policy will continue to be active this year with intervention by the regulators throughout the year. The tightening of the trading band to 3% and also the opening up of gold imports indicate that there will be less of a laissez-faire attitude towards managing the forex market compared to most of FY2009. The new approach seems to focus on the daily supply and demand balance and overall market liquidity.

- At this stage, we see a fairly low risk of another sharp depreciation by the SBV this year. In fact, we believe that these sharp policy moves have proven to have little effect in the past as it reinforces the market's perception that the VND will continue to be depreciated in an unpredictable fashion over the medium to long-term. We believe that the SBV will be anxious to exert more control this year in order to lessen the need for abrupt measures.

Vietnam's external debt was about 32.8% of GDP by the end of 2009, which is relatively low compared to Vietnam's peers with similar sovereign credit ratings of 'BB'. According to Reuters, the same ratios for Turkey, Indonesia, and Philippines are 43.9%, 33.8%, and 37.4% respectively. With this reasonably low ratio, Vietnam would still be safe for some further devaluation without significant changes to the external debt-to-GDP figure. If the trade deficit is not improved soon, then the pressure for another devaluation is looming.

### CPI

In terms of CPI, it will be challenging for the government to maintain the inflation rate for 2010 at the target level of 7%. There are numerous factors that might pull inflation rate this year to a low double-digit number. The fact is that Vietnam is now facing both demand-pull and cost-push inflations. The former resulted from a too-aggressive credit growth policy whose delayed effect to CPI is now phasing out. The latter type is due to increasing both internal and external costs of inputs such as oil, gas, steel, food. In addition, inflation can be also adversely affected due to the recent 3.2% devaluation of domestic currency. Altogether however, although those factors will certainly lead to an increase in inflation, they cannot skyrocket it again as in 2008 unless the real estate and stock markets are fueled up. This is not something that can occur any time soon. Our view is that the inflation outlook is not too bad. Our worst case scenario for CPI this year is 11.5% at maximum. However, if fiscal and trade deficits are kept less than 6% and 20% of GDP respectively, then inflation is expected to come down to lower than 10% this year.

# VIETNAM'S ECONOMIC OVERVIEW



## Capital Inflow

For FY2010, HSC is forecasting a 25% increase in registered FDI to US\$ 26.6 billion and more importantly a 25% increase in FDI disbursement to US\$ 11.25 billion. The official MPI forecast calls for total registered FDI of between US\$ 22 billion and US\$ 25 billion and for disbursements to reach US\$ 11 billion.

For FY2010, the pledged amounts by the key donor group called the Consultative Group has increased to over US\$ 8 billion and we estimate that disbursements this year will hit US\$ 4.8 billion or so, up 34% y/y. The donor group has three senior partners, World Bank (WB), Asia Development Bank (ADB) and Japan and then two junior partners, EU and Korea.

Total remittances in FY2009 are estimated to have reached US\$ 6.8 billion, down 6% from the official level of US\$ 7.2 billion recorded in FY2008. HSC forecasts that officially recorded remittances will reach US\$ 7.8 billion in FY2010, up 15% y/y.

## Interest rates and money markets

Since after the central bank allowed for medium and long-term lending rates to be negotiable with implicit fees, effective lending rates have averaged around 16-17%, which exceeds the lending ceiling of 12%. This makes the prime rate and the 150% cap irrelevant. However, it will take at least one year if it is considered to be abolished because it will have to go to at least 2 plenary sessions at the parliament for approval.

Q1 is ending and YTD credit growth is currently low at 1.4%, therefore there is still room for the SBV to expand credit but of course with caution. If demand for credit is higher, the pressure to adjust the deposit ceiling rate of 10.5% upward will resurface.

## Fiscal outlook for FY2010

The estimated budget deficit in FY2009 is expected to come to around VND 75.7 trillion (4.51% of GDP under the GFS classification and 6.9% under local definitions) which still far exceeds the planned deficit of VND 52.5 trillion. However, it's less than what most private sector economists predicted.

And looking to FY2010, given the scale-back in the loan subsidy program and the expiration of other measures such as the 1-H tax holidays, we believe the budget deficit will shrink to 3.89% of GDP under GFS classifications. And under the local classification, the budget deficit is forecast to drop from 6.9% of GDP to 6.20%. At any rate, this decrease would be in favor given a recent concern expressed by the National Assembly over the rising deficit in FY2009.

According to the MOF, the government is looking to raise VND 461.5 trillion (+18.1% y/y) in revenues this year, of which VND 432.8 trillion is expected to come from tax revenues with the balance coming from asset sales and grants. On the expenditure side, MOF is predicting spending worth of VND 536.8 trillion (+8.9% y/y).

The financing gap between expenditure and revenues of VND 74.4 trillion is expected to be met by net domestic bond issuance (total bond issuance less bonds being retired at maturity) of VND 63.1 trillion (-4.6% y/y) and net overseas financing of VND 11.2 trillion (+17.9% y/y).

## Bond market outlook for FY2010

The biggest challenge in the bond market this year and next will be issuing new bonds to cover the large amount of maturing bonds. Unlike last year, we are guaranteed successful bond auctions as the authorities really have no choice in that matter. About VND 23 trillion worth of new short-tenor bonds must be issued each year for the next 3 years in order to cover maturing bonds alone. And on top of that we expect the government to issue an additional VND 30-40 trillion this year to cover the budget deficit. One bright note is with the current ratio of total bond outstanding to GDP reduced to just 9.4% at the end of FY2009, there is plenty of room for the government to increase debt levels without exciting the rating agencies.

# VIETNAM STOCK MARKET REVIEW 2009



## **FY2009 Market wrap-up** **The liquidity boom and a tale of two halves**

In FY2009, the VN index returned 58%. The index closed out the year at 494.77, far below its October peak of 625.02 but still a very impressive performance.

One might try to explain the markets' performance in FY2009 by looking at the recovery in GDP, trade and industrial production that took place from Q2 onwards. Or one might point to the impressive 5% y/y jump in net profits for all listed companies (HSC and company forecasts for FY2009). One could also argue that P/E had fallen below 10xs by the end of February and that this presented an irresistible bargain for investors. All this would be true. However, we would rather explain FY2009's market performance in terms of the liquidity boom that swept all before it.

To summarize the market last year: in the 1-H, liquidity was provided as a result of strong credit growth due to the subsidized lending program. In the 2-H, however, much of the liquidity was provided by the launch of many successful margin lending programs through various brokers. And a shift of speculative funds from the real estate market into the stock market.

The VN index ended FY2008 at 315 and in the first two months of FY2009 had dropped to a low of 235 by the end of February. Then the government announced a VND 18 trillion (US\$ 1 billion) loan subsidy program to boost the economy. The stock market was hit by successive waves of liquidity as the monetary tap was turned on full force.

This level of subsidized lending hit a peak of VND 418.6 trillion for the week ended 5<sup>th</sup> November but most of that was lent out between February and the end of May. Our chart shows a close correlation between these loans and the 1-H performance of the stock market. In fact, having started off at the beginning of March, the subsidized loans grew very rapidly until it reached a level of VND 372 trillion for the week ended the 2<sup>nd</sup> June. Thereafter, growth rates in new subsidized loans began to level off. And the VN index closely tracked this expansion and peaked in the same week at a level of 511.30 before starting to correct. However, the relationship broke down thereafter.

By early June, the market was clearly overheating with daily turnover on HOSE reaching levels of 0.64% compared to the long term average of 0.37% per day. And then, following some timely warnings from international

# VIETNAM STOCK MARKET REVIEW 2009

DAILY TRADING VOLUME RUSHED FROM 0.31% OF TOTAL MARKET CAPITALIZATION ON THE HOSE IN JULY TO HIT A PEAK OF 0.78% DURING OCTOBER.



agencies and the SBV about overly rapid credit growth, the market began to correct. Over the summer, we saw a debate between those who wanted monetary policy to stay loose in order to underpin the recovery and those who worried over the effects on both the currency and inflation. This coincided with a weaker market. However, by August, the growth lobby appeared to win this debate temporarily, credit growth targets were lifted to 30% or above and the market took the hint. A second run began.

This time the liquidity was provided by brokers themselves who utilized banks' willingness to lend them money to create a lucrative new earnings source: margin lending. This is a new product for Vietnam but expanded very rapidly over Q3 to reach a peak of around VND 16 trillion or so according to HSC's own rough estimates. This allowed investors to leverage by up to 50% or so and provided enough fuel to propel the market to the November highs against another explosion in trading volumes.

In addition, certain brokers were also at the same time offering faster than T+3 settlements to selected clients, essentially lending securities to certain VIP clients who wanted to trade more actively. And a few were even lending stocks for short-selling.

Nothing illustrates the power of this liquidity better than the surge in market trading during Q3. Daily trading volume rushed from 0.31% of total market capitalization on the HOSE in July to hit a peak of 0.78% during October. Once again, by the end of November the market was looking very frothy.

The anti-inflation lobby led by the SBV had not gone away however. And having taken some micro steps to cool down consumer lending during Q3, their corrective policy moved into a more active phase as credit growth headed north of 35%. And as CPI bottomed out and the currency began to show obvious signs of strain, the SBV finally got the consensus backing it needed to reverse policy. Lending slowed rapidly; liquidity became scarce and the markets began to correct sharply as the money that fuelled it dried up.

In addition, as we know banks were urged by the SBV to be cautious in their attitude towards securities lending. Frankly, they need not have bothered. The SBV had already throttled this business by advising banks to lend to brokers at the ceiling rate rather than at negotiable rates

as was the practice before. For banks, lending to brokers is a purely commercial decision and what was attractive at rates of 15% or so (plus fees) before, suddenly became a lot less attractive at 11.5%.

And when the prime rate was hiked by 1% followed by a currency devaluation of 5%, the SBV's new policy priorities could not have been clearer. The credit squeeze to stabilize the currency was on.

The market impact was immediate and much of the forced selling we saw in late November/December was due to the unwinding of margin positions which had driven the market since the summer. Banks became very cautious about rolling over some of these loans extended to brokers and individuals and the underlying positions had to be liquidated. Most margin lending is time and not price determined. This means the loans are taken out for a specific period and get wound up at the end of that period. Whereas, in other markets, margin lending can be indefinite or as long as the value of the underlying collateral is deemed sufficient. The Vietnamese version is rather unsophisticated and as loans expire, it can lead to more forced selling.

Once the market had broken below support at 511-520 on the VN index it swiftly dropped below 450 and seemed to be heading lower. Market volumes returned to normal, although foreigners bought more actively from the middle of December. And then suddenly the domestic institutions also appeared to join in the bargain hunting and the market enjoyed a swift, if partial, recovery in the final two weeks of the year albeit in more modest turnover.

In the first few weeks after the Lunar New Year, the market has been trading in a fairly tight range between 477.59 and 534.46 on the VN index. We have seen off the worst of the liquidity squeeze which reached a peak in early December. But there are still lingering concerns over inflation, interest rates and low bank credit growth rates. The market seems stuck in limbo; the over-bought conditions of Q3 have abated but new money has not flown in to replace it yet.

This state of suspended animation awaits a catalyst. Given HSC's inflationary outlook and the steps already taken since Q4 last year, we believe that the pressure on another increase in interest rate will mark the last in a series of monetary steps necessary to cool down the economy and head off inflationary pressures.

IN THE FIRST FEW WEEKS AFTER THE LUNAR NEW YEAR, THE MARKET HAS BEEN TRADING IN A FAIRLY TIGHT RANGE BETWEEN 477.59 AND 534.46 ON THE VN INDEX.



# VIETNAM STOCK MARKET REVIEW 2009



IN DECEMBER, THE MARKET PARTIALLY RECOVERED THE GROUND LOST IN NOVEMBER AFTER IT PEAKED AT LAST YEAR'S HIGH OF 624.10 ON THE 22<sup>ND</sup> OF NOVEMBER.

And given the unusual role of the prime rate in Vietnam's policy regime (one of its main functions is to control both the deposit and lending rate ceilings), a rate rise would not only help stabilize the currency further and fight inflation but is also likely to boost deposit flow into the banking system. And this, in turn, would ease liquidity in the system which would be a positive for the stock market. Counter-intuitive, but there you have it.

So in short, HSC views another prime rate hike as a buy signal for equities, especially if the market's first reaction is to sell off afterwards.

In December, the market partially recovered the ground lost in November after it peaked at last year's high of 624.10 on the 22<sup>nd</sup> November. At that point, the market was over-traded, expensive and looked very frothy. The subsequent sharp correction that restored some value and trading volumes have since dropped below long-term norms. As far as we can tell, the leveraged positions, whether related to margin lending or the government's subsidized lending program, have also been reduced to manageable levels.

Looking forward into the 1-H FY2010, the market's prospects depend on a combination of macroeconomic and, of course, microeconomic factors. A stock market such as Vietnam's is mainly driven by monetary

policy considerations; the price and amount of money available in the system. We judge this by observing the sinews of monetary policy such as money supply; credit growth and interest rate policies in action. Current and more importantly, future expectations of monetary behavior is the main factor that drives the market up or down in our opinion. Other factors such as forward earnings expectations or valuations are also important but are either a consequence of monetary policy or a secondary consideration.

And in Vietnam, monetary rather than fiscal policy plays the key role in guiding the economy. This is understandable given that Vietnam typically has run a fiscal deficit of about 5% of GDP over the past half decade. Therefore, the scope for fiscal expansion has always had clear and fairly narrow limits. Monetary policy then remains the weapon of choice.

HSC believes that we are in the middle of a two-stage hike in the prime rate which, once completed, will mark the end of the SBV's attempts to stabilize the currency and the broader economy. This mini monetary up-cycle has successfully penned in credit growth and let a lot of air out of the stock market already. However, concurrently, the CPI trend has accelerated since Q3 and the long end of the bond market is still signaling that inflation has not yet been tamed. Hence, the SBV's work is not yet done.

We believe that the February CPI release may well mark the peak of the m/m CPI cycle although our historic model which compares credit growth and CPI cycles suggests the y/y trend will not peak until the summer. A further interest hike should do the trick and of course, thereafter, we should watch the long end of the bond yield curve, and indeed CPI itself, for signs of success. We remain fairly confident however, that this cycle will not reach the excesses of FY2008 given that the authority's reaction speed on this occasion was far more rapid.

In the meantime, the market may continue to drift sideways or even lower in the first part of Q2 2010 until the next move has been played. We recommend investors to buy on weakness but not to chase up prices at the moment.

At current levels, the Top 38 stocks aggregate forward PE is 13.5xs, which is reasonable, if not absolutely cheap. And based on our GDP growth assumption of 6.3% for FY2010, we forecast net profit growth of 14% and adjusted aggregate weighted EPS growth of 6%.

HSC BELIEVES THAT WE ARE IN THE MIDDLE OF A TWO-STAGE HIKE IN THE PRIME RATE WHICH, ONCE COMPLETED, WILL MARK THE END OF THE SBV'S ATTEMPTS TO STABILIZE THE CURRENCY AND THE BROADER ECONOMY.



# cultivating aspiration,



# harvesting VISION



C U S T O M E R

## SEGMENTATION

*In 2009, HSC implemented customer segmentation to cultivate business focus, creating two distinct divisions, namely, Individual Clients and Institutional Clients. This action allowed HSC to develop more diverse products and customized services for each segment.*

*Each customer segment was reorganized to better allocate resources (in terms of manpower, technology and financial support) and allow each customer segment to grow in an independent environment with its own product specialties, information, dedicated people and capital resources. This strategic move brings HSC closer to reaching its aspiration to provide personalized and professional financial advisory for the entire Vietnam market, and harvest the Company's vision to lead the securities industry in the coming future.*

# RETAIL DIVISION

CUSTOMER SEGMENTATION HAS ENABLED HSC TO FOCUS OUR KEY RESOURCES OF PEOPLE, RESEARCH, TECHNOLOGY AND CAPITAL RESOURCES TOWARDS SPECIFIC REQUIREMENTS OF EACH SEGMENT.



## RETAIL DIVISION

In the span of three years, we have established HSC as a foremost, preferred securities company, with strong brand recognition, steadily increasing client base and wider distribution network. As a result, we delivered a nearly three-fold increase in our brokerage income, and consolidated our position as a top four securities company as our total market share grew from 4.5% in 2008 to 5% in 2009. Total matched-transaction value from Retail amounted to VND 61,000 billion or US\$ 32 million (for both buy and sell transactions) for 2009, almost 5% of the total market matched-transaction value of VND 630,147 billion or US\$ 330 million.

### Personalized Service

Customer segmentation has enabled HSC to focus our key resources of People, Research, Technology and Capital Resources, toward specific requirements of each segment. For Retail Division, HSC acknowledges the need for personalized service that goes beyond the typical client-service representative interaction. In response, HSC has pioneered the broker program wherein finance specialists are trained to become personal financial advisors for retail clients, offering them viable investment advice based on thorough economic research and market knowledge.

As a pre-emptive measure against conflict of interest and to create a high-performance culture, HSC initiated a commission scheme for brokers as incentive for effective management of customers' trading activities. The commission scheme provides our brokers with additional motivation to impart professional personalized service and advisory.

The number of retail brokers in HSC has doubled from 100 to nearly 200 at the end of 2009. HSC provides regular training to upgrade skills such as sales skills, customer care, negotiation skills, presentation skills and technical analysis. In addition, we also provide a face-to-face daily market update to all interested members, so that our team members continuously update the market and upgrade their capabilities. The continuous skills upgrade enables HSC to maintain a competitive advantage over other securities companies in terms of expertise, experience and service.

### Wider, Faster Network

In 2009, HSC opened two additional transaction centers in Hanoi and another in Ho Chi Minh City, bringing the total number of transaction centers to six: three in Ho Chi Minh and three in Hanoi. Despite the two additional transaction offices in the North opening only in the latter part of the year, HSC received a substantial rise in market share of 2.52%. Hanoi brought in 31.70% of total revenue, amounting to VND 19.27 billion (US\$ 1 million). HSC plans to continue our expansion to other key areas in the coming period.

HSC also upgraded our Vi-trade system, an internet-based trading platform that allows real-time, almost instantaneous input of orders directly into the Hochiminh City Stock Exchange (HOSE) floor. Vi-trade provides retail customers with immediate information on the results of their transactions and will also enable them to react faster from remote locations. HSC is proud to be one of the first to offer this program to personal clients and all HSC brokers are equipped with the knowledge to maximize the potential of the program. Retail customers are provided access to their accounts online, giving them better and faster access to their investments.

Research still plays a vital role in providing relevant, timely and accurate information to personal clients. HSC remains the undisputed leader in research amongst all securities firms in Vietnam and will continue to maintain our edge with investments in infrastructure and information technology to stay ahead of the competition.

### Value-Added Services

In line with our objective to provide additional value to consumers, HSC held several investment workshops in 2009, inviting in-house as well as external experts to provide valuable tips and tools for both new and existing investors. These workshops are open to the public and announcements are posted via the HSC website. Each workshop held in Ho Chi Minh attracted over 200 participants, encouraging HSC to continue and build a tradition of providing a prime venue for investor interaction and learning.

HSC also offers active retail investors with accessible means to leverage their transactions through ample capital resources provided through a sophisticated suite of margin products. Besides conventional margin products, repurchased contracts are also accepted for select over-the-counter equities. HSC ensures these practices remain well within Company policies and the authorities' guidelines.

Aside from regular floor trading, HSC also provides supplementary services such as Custody, Shareholders' Book Management, and IPO Auction Bidding.



# INSTITUTIONAL DIVISION

THE VARYING NEEDS OF RETAIL AND INSTITUTIONAL INVESTORS HAVE PROMPTED HSC TO CREATE A DISTINCTION BETWEEN THE TWO SEGMENTS IN TERMS OF PRODUCTS AND SERVICES OFFERED.



## INSTITUTIONAL DIVISION

Our institutional segment consistently ranks either first or second in terms of market share amongst other securities companies offering the same services in the market, and delivered strong growth across both the foreign and local institutional investors, differentiated by our market-acclaimed research products, and supported by a strong capital base that provides them with access to liquidity and underwriting support.

### Creating Differentiation

The varying needs of retail and institutional investors have prompted HSC to create a distinction between the two segments in terms of products and services offered. Institutional clients are less speculative in terms of the choice of investments, taking into consideration long-term benefits rather than short-term gain. For foreign institutional clients, the concern centers on the country's overall economic growth which will create a deeper impact compared to normal market fluctuations caused by sudden price changes, speculator herding and other factors. It is a fact that no country was left unscathed by the recent global economic crisis, however, it can be said that Vietnam made a quick recovery in less than a year with 6.65% growth. This show of resilience continues to encourage foreign capital into the country.

HSC is prepared and able to address the concerns of foreign investors, providing them in-depth analysis to the country's growth potential and products that follow standard international structures and are within State legislation, as Vietnam is still in transition towards an open economy and there are foreign ownership restrictions that must be maintained. Local institutions also have varying needs and HSC has expanded its business scope in order to stay at the forefront of financial trends.

### Refining Research

One of the strengths of HSC remains in its research capabilities. HSC has built a strong reputation in producing quality, viable and thoroughly-analyzed research as the Company moves towards becoming a reputable, knowledge-based securities company.

Research is the key driver and differentiator of HSC's Institutional Division. HSC is proud to have the biggest

## INSTITUTIONAL DIVISION

number of experienced analysts that are able to process relevant data, producing daily reports, company information, sector and market analysis and strategy papers that are customized based on a client's particular requirements. A prime example of the team's quality and independent research output is the HSC Daily Market Watch, a widely-accepted report circulated amongst institutional investors.

Research for institutional clients requires a more refined, detailed perspective on macroeconomic and microeconomic growth. The recent global financial crisis has spurred government support for several struggling industries which may or may not be able to sustain survival until the market fully recovers. Investors are more cautious and discerning, demanding more disclosure from companies prior to handing over their commitment. Governments have also stepped up legislation to ensure transparency in transactions. In this current business scenario thorough, impartial, quality research is a vital asset for every investor.

### Connecting Companies

In 2009, HSC has actively coordinated visits from potential foreign investors with local companies to facilitate an introduction and possible partnership with both parties. HSC initiated this program to encourage foreign interest in Vietnamese business, thereby indirectly increasing foreign currency inflow and aiding domestic economic recovery.

Foreign company visits are steadily gaining popularity and HSC will continue to play an active role in mediating partnerships between global and domestic corporations.

### Quality Assurance

The Institutional Division team has the best and brightest group of financial advisors. They are trained to become keen investment brokers, able to do more than negotiate sales, but also capable of creating long-term client relationships and inspire loyalty from investors because of their credibility, professionalism and integrity.

Transparency takes center-stage in every transaction and the Company prides itself for obtaining and maintaining a quality client base for both foreign and domestic investors. A solid check-and-balance scheme between the brokers and the administration is in place to ensure that

every transaction is in order. HSC has an appropriate risk management system in place from commercial execution to order confirmation, ensuring integrity in every step of the transaction process.

For 2010, the Institutional Division will continue to pave the way to future growth, maximizing resources for optimum benefits. A bond specialist is already in place to prepare the company for the inevitable introduction of bond trading in the domestic market. In this regard, HSC will continue to be a pioneer in the field, able to foresee and interpret trends and adapt prior to the competition.

HSC WILL CONTINUE TO BE A PIONEER  
IN THE FIELD, ABLE TO FORESEE AND  
INTERPRET TRENDS AND ADAPT PRIOR  
TO THE COMPETITION.



# DEAL HIGHLIGHTS OF 2009

2009 was a year of exceptional disruption in the financial markets, and brought tremendous challenges to investment banking as new demand fell precipitously. The Vietnam financial market was not spared the brunt of the financial crisis, neither was HSC immune to the impact of financial disruptions.

While our investment banking business has not been unscathed, we weathered the storm relatively well, given our prudent risk management and diversified products.

The continued trust of our Corporate Clients and the cultivation of improved internal processes and capabilities have enabled HSC to obtain and conclude the following transactions in 2009:



**SAVI PHARMACEUTICAL  
JOINT STOCK COMPANY  
(SAVIPHARM)**

## PRIVATE DEAL



**NAM LONG  
INVESTMENT  
CORPORATION**



**SOUTHERN  
WATERBORNE  
TRANSPORT  
CORPORATION**

- ◆ Company valuation
- ◆ M&A Sell Side Advisory
- ◆ Year: 2009
- ◆ Chartered Capital:  
**VND 72 billion**

- ◆ Valuation/restructure/  
private placement
- ◆ M&A Buy Side Advisory
- ◆ Year: 2009
- ◆ Chartered Capital:  
**confidential**

- ◆ Rights issuance
- ◆ Equity Capital  
Markets - Issuance
- ◆ Year: 2009
- ◆ Chartered Capital:  
**VND 382 billion**

- ◆ SOE auction
- ◆ Equity Capital  
Markets - IPO
- ◆ Year: 2009
- ◆ Chartered Capital:  
**VND 670 billion**



**STATE CAPITAL  
INVESTMENT  
CORPORATION**



**HO CHI MINH CITY  
INFRASTRUCTURE  
INVESTMENT FUND**



**FOREIGN TRADE  
DEVELOPMENT &  
INVESTMENT CO.**



**BINH CHANH  
CONSTRUCTION  
AND INVESTMENT  
JSC (BCCI)**

- ◆ SOE auction
- ◆ Equity Capital  
Markets - IPO
- ◆ Year: 2009
- ◆ Chartered Capital:  
**VND 15,000 billion**

- ◆ Rights issuance
- ◆ Equity Capital  
Markets - Issuance
- ◆ Year: 2009
- ◆ Chartered Capital:  
**VND 500 billion**

- ◆ Listing
- ◆ Equity Capital  
Markets - Listing  
Advisory
- ◆ Year: 2009
- ◆ Chartered Capital:  
**VND 142 billion**

- ◆ Listing
- ◆ Equity Capital  
Markets - Listing  
Advisory
- ◆ Year: 2009
- ◆ Chartered Capital:  
**VND 542 billion**

## DEAL HIGHLIGHTS OF 2009



**BINH DUONG  
TRADING AND  
DEVELOPMENT  
JSC (TDC)**

- ◆ Equity issuance
- ◆ Equity Capital Markets - Issuance
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 100 billion**



**A DONG PAINT**

- ◆ UPCOM
- ◆ Equity Capital Markets - Listing Advisory
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 50 billion**



**VAN DIEN FUSED  
MAGNESIUM  
PHOSPHATE  
COMPANY (VAFCO)**

- ◆ Equitisation - Valuation, IPO & 1st AGM
- ◆ Equity Capital Markets - Equitization
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 271 billion**

**PHU THANG LIMITED  
COMPANY**

- ◆ Asset valuation
- ◆ M&A Advisory
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 5 billion**



**(GIA LAI) COMEXIM  
JOINT STOCK  
COMPANY**

- ◆ Equity issuance
- ◆ Equity Capital Markets - Issuance
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 18.8 billion**

**DIEN BIEN INDUSTRIAL CROPS  
STATE-OWNED ONE MEMBER  
LIMITED LIABILITY COMPANY**

- ◆ IPO 1st
- ◆ Equity Capital Markets - IPO
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 5 billion**

**DIEN BIEN INDUSTRIAL CROPS  
STATE-OWNED ONE MEMBER  
LIMITED LIABILITY COMPANY**

- ◆ IPO 2nd
- ◆ Equity Capital Markets - IPO
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 5 billion**

**MONG CAI URBAN  
ENVIRONMENT COMPANY**

- ◆ Equitisation - Valuation, IPO & 1st AGM
- ◆ Equity Capital Markets - IPO
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 7 billion**

**CAM PHA URBAN  
ENVIRONMENT COMPANY**

- ◆ Equitisation - Valuation, IPO & 1st AGM
- ◆ Equity Capital Markets - IPO
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 15 billion**

**PRIVATE DEAL**

- ◆ Financial restructuring
- ◆ M&A Advisory
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 21.7 billion**



**HO CHI MINH  
CITY SECURITIES  
CORPORATION**

- ◆ Listing
- ◆ Equity Capital Markets - Listing Advisory
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 394 billion**



**BINH DUONG  
CONSTRUCTION & CIVIL  
ENGINEERING JOINT  
STOCK COMPANY (BCEC)**

- ◆ Equity issuance
- ◆ Equity Capital Markets - Issuance
- ◆ Year: 2009
- ◆ Chartered Capital: **VND 100 billion**

## CORE COMPETENCIES

IN JANUARY 2009, THE NUMBER OF ORDERS FROM INTERNET TRADING PLATFORM REGISTERED AT 16.3% AND CONTRIBUTED ONLY 3.4% IN TERMS OF TRADING VALUE. BY THE END OF DECEMBER 2009, THE RATIO INCREASED TO 41.6% AND MADE UP 17.6% OF TRADING VALUE.



Our growth agenda takes into account the fundamental task of establishing competencies across Technology, Research and Risk Management/Internal Compliance, whilst making the strategic shift towards customer segmentation. We add another dimension to our strengths by enhancing another core asset—People Capital. These business synergies are the cornerstones of HSC’s stability and growth, and underpin our competitiveness in the market.

### ADVANCEMENTS IN TECHNOLOGY

HSC adapts the latest advancements in technology to guarantee constant connectivity to both stock exchanges in Hanoi and Ho Chi Minh, full operations support and network maintenance. HSC upgraded its Cisco-based network system, managing a total of 40 IBM servers in parallel, twice the number in 2008. We also deployed an infrastructure composed of a variety of fiber-optic cabling, leased-line and multiple bandwidth ADSL connections from various service providers as a solid back-up system to ensure zero downtime.

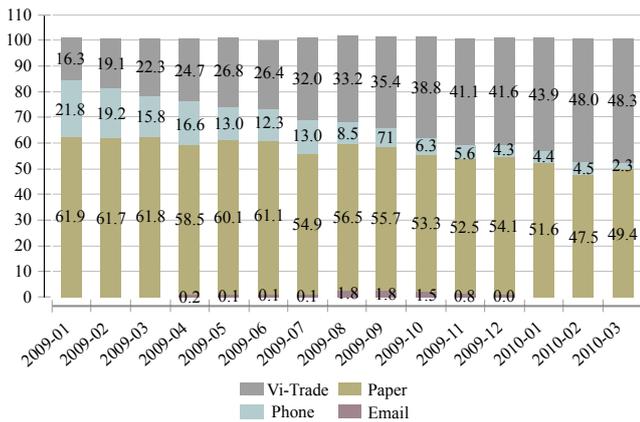
On the infrastructure side, HSC has a reliable resilience configuration in place. All critical services are currently running on active-standby mode, enabling immediate recovery should primary hosts experience hardware failure, ensuring uninterrupted services.

### Online Trading

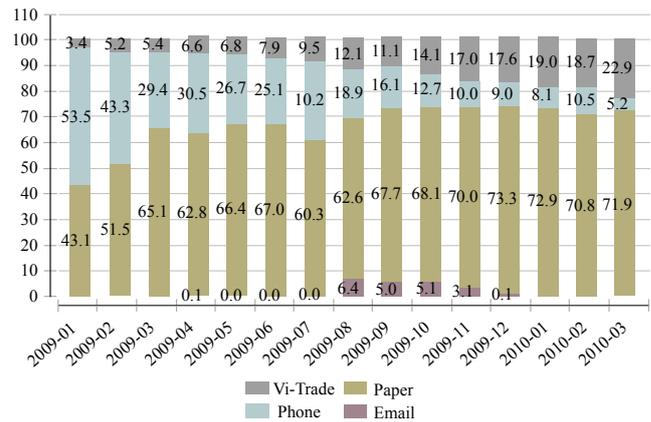
HSC is among the Top 3 securities companies actively promoting online trading to connect investors to the trading floor whenever and wherever they are. The performance of online trading in 2009 increased dramatically throughout the course of the year as reflected in the statistics. In January 2009, the number of orders from internet trading platform registered at 16.3% and contributed only 3.4% in terms of trading value. By the end of December 2009, the ratio increased to 41.6% and made up 17.6% of trading value. This growth has continued to rise as reflected by the statistics of March 2010.

CORE COMPETENCIES

Percentage of Placed Order By Origin



Percentage of Matched Value By Origin



VIS.NET, a NET information terminal launched in 2009, is the improved version of VIS, initially introduced in 2008. Apart from the enhancement in the presentation, VIS.NET provides additional useful features to investors, such as online portfolio manager so investors can personally determine their P/L based on real-time market price updates and a “heat-map” that gives an efficient visual representation of market sentiments. VIS.NET provides online, real-time information based on direct feed from the exchange floor. Transactions placed on the front system are executed concurrently, enabled by the software platform based on AFE of Hong Kong. This professional order system is capable of processing more than 100,000 orders per day and 10,000 trading accounts simultaneously, managing the diversity in currency, language and market with ease. This program has been rolled-out in all of the six transaction centers effectively connecting each one to headquarter for a centralized model.

**Improving Connections**

VIP Trade platform was introduced early 2010 and is primarily for HSC VIP clients. The platform allows investors to manage multiple accounts and provides real-time order book and market information together with value-added facilities catering to their specific needs. The VIP Trade platform also has real-time streaming data direct from the Bloomberg terminal in Hong Kong and the local Reuters node. This integration, another first for HSC, will connect investors to relevant and timely business, financial and economic news from here and around the world.

Since August 2009, HSC has laid the groundwork to become one of the few securities company qualified by the Hanoi Stock Exchange (HNX) to conduct transaction on their Direct Market Access channels and in early 2010, HSC became a part of the select group connected with HNX through the DMA system. HSC’s trading platform is now capable of processing Direct Market Access transactions for both stock exchanges (HOSE and HNX), enlarging the scope of services available for active investors.



## CORE COMPETENCIES

HSC'S TRADING PLATFORM IS NOW CAPABLE OF PROCESSING DIRECT MARKET ACCESS TRANSACTIONS FOR BOTH STOCK EXCHANGES (HOSE AND HNX), ENLARGING THE SCOPE OF SERVICES AVAILABLE FOR ACTIVE INVESTORS.



Internally, HSC has improved on the Business Intelligence platform based on SharePoint integrated information gateway to complement the shift to collective management, wherein all teams are able to share KPIs, results and relevant information to enable product and service innovations and faster response to market changes.

HSC will continuously upgrade its technology and manage its infrastructure in 2010, with the implementation of a secure, real-time mobile trading system, additional promotional packages for online trading, development of Enterprise Document Management System and a more efficient Disaster Recovery Site.

### THE CRITICAL ROLE OF RESEARCH

HSC's research team consists of one strategic market analyst, ten sector analysts, two macro market analysts and two technical analysts from diverse corporate backgrounds including auditing, market research and finance, capable of providing comprehensive market coverage covering the top 100 listed and OTC stocks broken down into principal sectors with rated reports and detailed earnings models. Our approach to research is based on a bottom-up approach which analyzes both key market indicators and performance of each company supplemented by a top-down review by the key strategist and technical analyst to include market timing and trend analysis.

This holistic approach allows HSC to provide the investor with vital information and analysis to make informed judgment based on an understanding of the underlying fundamentals of the trade and factors driving stock price fluctuations in the market. HSC has an impressive database containing models of sector demands, company financials and background information gathered from legitimate sources such as newspaper articles and company announcements.

## CORE COMPETENCIES

**Product Offering - Reports**

HSC produces an expansive product range of reports on a monthly basis built on several categories:

- Company Reports - provides a detailed analysis, inclusive of financial health and management capabilities, of an OTC or listed company and its business environment.
- Sector Reports - covers key sectors in the market and the business, legal and economic environment on which it operates.
- Technical Reports - an in-depth technical analysis of market movers and relative sector performance.
- Strategy Reports - an impartial view of the changes in the economy, market fluctuations and other developments to provide investors with analysis on current issues.

**RISK MANAGEMENT & INTERNAL COMPLIANCE**

2009 was a turbulent year, and brought many surprises to Vietnam's securities market. In hindsight, it may provide clues on what happened or what went wrong. However, in the day-to-day management of our business, identifying a risk is much more difficult, but no less important, than pursuing opportunities and delivering strong results.

HSC puts risk management and internal compliance at the highest priority, in line with our core values of integrity, work ethic and professionalism. We have instituted clear processes between frontlines and back office functions to conduct proper checks and balances with every transaction.

The establishment of collective management has improved risk management processes to the extent of creating Management Committees for Operations, Credit and Investments. These high risks aspects of the business require a more sophisticated decision-process to ensure proper protocols are followed and the utilization of resources are maximized while costs are minimized. Each Committee member contributes based on his operational capacity and expertise, providing a more holistic management approach wherein all aspects are taken into consideration in the resolutions and implementation.

The Credit Committee meets at least once a month to discuss the Company's position on margin product and support for select transactions. The Investments Committee focuses on Proprietary Trading, which still contributes a considerable percentage to revenue. The Committee ensures proper and prudent utilization of shareholders' equity and sets clear strategies to guide investment initiatives. The Operations Committee creates appropriate guidelines to safeguard the welfare of the Company and all its stakeholders, reviews and recommends policies to assure legal compliance with existing State regulations and international practice.

**PEOPLE CAPITAL**

In an increasingly competitive and volatile business environment, it is now vital to focus on building leadership strength and employee engagement to drive performance. HSC has made strong progress in developing a robust top management structure to help us strengthen our risk management and processing capabilities. In 2009, we made a number of major appointments to our management team, one of the most important is the new Chief Operating Officer position. With the expanded management team and enhanced competencies, HSC is well positioned to deliver business strategy and drive continuous growth.



cultivating  
potential,



# harvesting. opportunities



S T R A T E G I C

## DIRECTIONS

*In 2010, HSC plans to focus on the following: create sustainability for its expansion; achieve solid market share by strengthening the distribution channels, both physical locations and through internet channels.*

*HSC views the majority of the market as still fragmented and plans to tap the mainstream market segment by providing them reliable information, easy and speedy access and quality service. The changes HSC implemented will act as a catalyst that will allow the cultivation of potentials to harvest the opportunities of the coming years.*

# 2010 BUSINESS PLANS



## Business plan and strategies for 2010

2010 has started off with the beginning two months being relatively slow, which is usual with the Lunar New Year taking a big chunk of trading enthusiasm out of February. Our business plan for 2010 was based on certain assumptions on market volumes and market shares, which are the most important components in our projections for the brokerage business, and our strategy continues to place significant emphasis on further expansion in the brokerage business and fee income generation.

Applying an average 25% growth percentage onto the general growth trend of an emerging market and taking into consideration the element of a “pleasant surprise” as what occurred in 2009, we arrived at a projection of daily trading value of VND 3.5 trillion on the average. In the beginning of March 2010, it appears that the reality has come very close to our forecast. We also set our target market share at 6.5% for 2010 as our market share was averaging around 5.5% in the last few months of 2009. This target is based on the assumption that we continue to grow both the Retail and the Institutional businesses strongly, whereby the Retail business will contribute two thirds and the Institutional business one third of HSC’s total brokerage income. On the Retail side, we aim to continue expanding both the physical location network and the distribution infrastructure with brokers and remisiers. We also anticipate that the number of internet trading accounts and volumes will grow exponentially, given our target of this market and given our superior trading and information tools.

We forecast that internet trading volume will increase from 42% to about 65% of total trading volume and from 17% trading value to about 30% trading value at HSC by the end of 2010.

On the Institutional side, the partnership and cooperation with various new foreign and domestic institutional participants which were formed in late 2009 are expected to deliver a fresh wave of institutional investment into Vietnam. We have planted the seeds for the primary markets by establishing a close interaction between the deal sourcing functionality (corporate finance) and the sale functionality (brokerage). New placement opportunities are being identified for 2010, which together with our existing strengths in research and the secondary markets should further cement our leading position as a service provider to the institutional customer segment.

Given the growth forecast and expansion plan, new capital may need to be employed and deployed to meet the growing demand of the Retail segment for liquidity and leverage capability. In this fiscal year, we plan to achieve a more efficient balance in our employment of both equity and debt capital to bring the most optimal rate of return to shareholders. Our shareholders will determine the outcome of these capital-raising plans at the AGM in April 2010.

The need to employ capital efficiently also means that a more stringent risk management regime will be applied to our principal investment activities this year. While we continue to be prepared to seize good opportunities in both equity and fixed income markets, the percentage of capital allocated to both markets should not exceed 20% of our balance sheet.

As HSC is a company with significant diversity, the key to driving HSC forward as a leading financial institution in the Vietnam market is to achieve a high degree of synergy among all the business lines, to manage our resources most cohesively in order to employ these resources efficiently. We continue to instill the principle of collective management throughout our business strategy and culture, to achieve our business vision and direction.

# CORPORATE GOVERNANCE

HSC identifies corporate governance as imperative to our sustainable growth and future expansion. Our emphasis on corporate governance is epitomized across the whole organization, from how we structure the company, run our business and engage in corporate partnerships, as well as the level of trust we develop with our customers and shareholders.

At HSC, we have measures and processes in place to ensure we are as effective as we are ethical. We are constantly reviewing our processes to enhance transparency in our business activities, both internally and externally.

## Independent Board of Directors

HSC operates an independent Board with separation of the roles for Chairman and Chief Executive Officer and a Board membership comprising of independent directors. The Board is accountable to the shareholders for the company's financial performance and responsible for the legal and ethical behavior of the company.

## Risk Management

The task of risk management is led by the Board of Directors and implemented by the heads of business and administration teams. The Management Committees hold weekly, monthly and quarterly meetings to discuss issues and create resolutions and policies as necessitated by the business and its environment. They set in place robust guidelines to help the Company in ensuring business continuity and managing risk in the course of daily trade.

## Code of Conduct

The HSC Code of Business Conduct is implemented and upheld in each function and the Human Resource Department is in charge of ensuring that we do business in a lawful and ethical way, in line with our core values.

AT HSC, WE HAVE MEASURES AND PROCESSES IN PLACE TO ENSURE WE ARE AS EFFECTIVE AS WE ARE ETHICAL. WE ARE CONSTANTLY REVIEWING OUR PROCESSES TO ENHANCE TRANSPARENCY IN OUR BUSINESS ACTIVITIES, BOTH INTERNALLY AND EXTERNALLY.



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# 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 financial statements of the Company as at 31 December 2009 and for the year then ended.

## THE COMPANY

The Company is a joint stock company incorporated under the Law on Enterprises of Vietnam pursuant to the Business Registration Certificate No. 4103001573 issued by the Ho Chi Minh City Department of Planning and Investment on 23 April 2003 and Business License 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 and Ha Noi.

## RESULTS AND DIVIDENDS

	<b>2009</b>	<b>VND 2008</b>
Net profit for the year	278,119,318,635	23,543,011,112
Dividend paid during the year	20,769,370,960	38,019,370,900
Dividend declared but not paid at the end of the year	42,405,496,459	11,949,619,419
Retained earnings at the end of the year	328,805,412,265	132,269,417,751

## SIGNIFICANT EVENTS

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.

On 23 December 2009, the Ho Chi Minh Stock Exchange noticed the last registered date, which bonus shares of the Company from share premium were issued to the existing shareholders with the number of the bonus shares of 19,699,386 shares and the total listed value of VND 196,993,860,000, was on 29 December 2009 pursuant to the Notice No.784/TB-SGDHCM. The Company was in the process to complete the registered documents for the Ho Chi Minh Stock Exchange to list the bonus shares.

## BOARD OF DIRECTORS

The Members of the Board of Directors during the year 2009 and at the date of this report are:

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

REPORT OF THE  
BOARD OF DIRECTORS**EVENTS SINCE THE BALANCE SHEET DATE**

On 01 February 2010, the Company received the Decision No. 19/QD-SGDHCM from the Ho Chi Minh Stock Exchange which approved the Company to additionally list the bonus shares and the Notice No. 79/TB-SGDHCM on listing and officially trading the bonus shares on the Ho Chi Minh Stock Exchange on 09 February 2010. The number of the bonus shares for additional listing was 19,699,386 units.

**AUDITORS**

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

**STATEMENT OF THE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS**

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

- ▶ Select suitable accounting policies and then 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 financial statements; and
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the 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 Company's management has confirmed to the Board of Directors that the Company has complied with the above requirements in preparing the accompanying financial statements.

**APPROVAL OF THE FINANCIAL STATEMENTS**

We hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2009, and the results of its operations and the cash flows for the financial year 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.

On behalf of the Board of Directors:



Ms. Ngo Kim Lien  
Chairwoman




Mr. Johan Nyvene  
Member

Ho Chi Minh City, Vietnam  
09 February 2010

Số tham chiếu: 60790272/13897773

Reference: 60790272/13897773

## INDEPENDENT AUDITORS' REPORT

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

We have audited the balance sheet of Ho Chi Minh City Securities Corporation ("the Company") as at 31 December 2009, the income statement, the cash flow statement for the year then ended and the notes thereto as set out on pages 51 to 83 ("the financial statements"). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company for the year ended 31 December 2008 were audited by other auditors whose report dated 31 March 2009 expressed an unqualified opinion on those financial statements.

### *Basis of opinion*

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

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2009, the results of its operations and the cash flows for the year 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

09 February 2010

*Nguyen Xuan Dai*

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

## BALANCE SHEET

AS AT 31 DECEMBER 2009

Code	ASSETS	Notes	VND	
			31 December 2009	31 December 2008
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,992,037,321,030</b>	<b>424,512,702,959</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>826,814,983,238</b>	<b>134,722,054,635</b>
111	1. Cash		826,814,983,238	134,722,054,635
112	2. Cash equivalents		-	-
<b>120</b>	<b>II. Short-term financial investments</b>	<b>6</b>	<b>267,505,454,106</b>	<b>179,621,648,637</b>
121	1. Short-term investments		348,596,184,618	369,171,202,766
129	2. Provision for short-term investments		(81,090,730,512)	(189,549,554,129)
<b>130</b>	<b>III. Short-term receivables</b>		<b>888,641,398,684</b>	<b>98,966,106,292</b>
131	1. Trade receivables	7	1,129,867,100	2,974,849,166
132	2. Advances to suppliers		150,000,000	41,746,440
133	3. Receivables from related parties		-	-
135	4. Receivables from securities trading	7	655,156,686,651	47,317,151,378
138	5. Other receivables	7	253,052,082,667	81,286,304,031
139	6. Provision for doubtful debts	7	(20,847,237,734)	(32,653,944,723)
<b>140</b>	<b>IV. Inventories</b>		<b>-</b>	<b>-</b>
<b>150</b>	<b>V. Other current assets</b>		<b>9,075,485,002</b>	<b>11,202,893,395</b>
151	1. Short-term prepaid expenses		3,647,183,496	2,543,001,944
152	2. Value added tax deductible		-	3,444,081
154	3. Tax and other receivables from the State		4,151,843,810	7,675,279,835
158	4. Other current assets	8	1,276,457,696	981,167,535

# BALANCE SHEET (continued)

AS AT 31 DECEMBER 2009

				<i>VND</i>	
<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>31 December 2009</i>	<i>31 December 2008</i>	
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>97,500,118,701</b>	<b>1,054,696,973,332</b>	
<b>210</b>	<b>I. Long-term receivables</b>		-	-	
211	1. Long-term trade receivables		-	-	
212	2. Paid-in capital in wholly-owned subsidiaries		-	-	
213	3. Long-term receivables from related parties		-	-	
218	4. Other long-term receivables		-	-	
219	5. Provision for doubtful long-term receivables		-	-	
<b>220</b>	<b>II. Fixed assets</b>		<b>18,187,800,019</b>	<b>15,706,708,794</b>	
221	1. Tangible fixed assets	9	8,150,351,057	7,794,520,395	
222	- Cost		16,659,017,280	12,702,454,983	
223	- Accumulated depreciation		(8,508,666,223)	(4,907,934,588)	
224	2. Financial leases		-	-	
225	- Cost		-	-	
226	- Accumulated depreciation		-	-	
227	3. Intangible fixed assets	10	7,907,930,446	7,107,457,937	
228	- Cost		12,022,890,751	8,645,993,297	
229	- Accumulated amortization		(4,114,960,305)	(1,538,535,360)	
230	4. Constructions in progress	11	2,129,518,516	804,730,462	
<b>240</b>	<b>III. Investment properties</b>		-	-	
241	- Cost		-	-	
242	- Accumulated amortization		-	-	
<b>250</b>	<b>IV. Long-term financial investments</b>		<b>52,671,336,384</b>	<b>1,029,296,669,128</b>	
251	1. Investments in subsidiaries		-	-	
252	2. Investments in associates, jointly controlled entities		-	-	
253	3. Long term securities		-	-	
254	- Available-for-sale securities	6	52,671,336,384	1,029,296,669,128	
255	- Held-to-maturity securities		-	-	
258	4. Other long-term investments		-	-	
259	5. Provision for long-term financial investments		-	-	
<b>260</b>	<b>V. Other long-term assets</b>		<b>26,640,982,298</b>	<b>9,693,595,410</b>	
261	1. Long-term prepaid expenses	12	21,929,076,164	7,501,290,698	
262	2. Deferred tax assets		-	-	
263	3. Deposits to Settlement Support Fund	13	2,339,036,386	1,124,409,808	
268	4. Other long-term assets	14	2,372,869,748	1,067,894,904	
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,089,537,439,731</b>	<b>1,479,209,676,291</b>	

## BALANCE SHEET

Code	RESOURCES	Notes	VND	
			31 December 2009	31 December 2008
<b>300</b>	<b>A. LIABILITIES</b>		<b>541,145,556,242</b>	<b>155,761,925,505</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>539,363,206,242</b>	<b>154,427,388,005</b>
311	1. Short-term loans and borrowings		-	-
312	2. Trade payables		161,048,250	190,744,300
313	3. Advances from customers		-	889,892,000
314	4. Statutory obligations	15	35,830,723,378	1,555,221,261
315	5. Payables to employees		-	1,710,350,258
316	6. Accrued expenses	16	9,216,419,476	749,578,520
317	7. Payables to related parties		-	-
320	8. Payables to securities trading		448,761,967,063	135,195,579,351
321	9. Dividend, principal and interest payables		1,898,531,325	1,210,851,120
322	10. Payables to securities issuers		-	-
328	11. Other payables	17	43,494,516,750	12,925,171,195
329	12. Short-term provision		-	-
<b>330</b>	<b>II. Non-current liabilities</b>		<b>1,782,350,000</b>	<b>1,334,537,500</b>
331	1. Long-term trade payables		-	-
332	2. Long-term payables to related parties		-	-
333	3. Other long-term liabilities		-	-
334	4. Long-term loans and debts		-	-
335	5. Deferred tax liabilities		-	-
336	6. Provision for retrenchment allowance		1,782,350,000	1,334,537,500
337	7. Long-term provision		-	-
339	8. Provision for compensation of investors		-	-
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>1,548,391,883,489</b>	<b>1,323,447,750,786</b>
<b>410</b>	<b>I. Capital</b>	<b>18</b>	<b>1,538,496,366,573</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
413	3. Other capital belonging to owners' equity		-	-
414	4. Treasury share (buy back shares)		(1,941,442,200)	(645,000,000)
415	5. Asset revaluation reserve		-	-
416	6. Foreign exchange differences reserve		-	-
417	7. Investment and development fund		3,961,374,994	3,961,374,994
418	8. Financial reserve		54,097,834,988	26,458,301,498
419	9. Other funds belonging to owners' equity		1,110,411,526	1,538,895,415
420	10. Undistributed earnings		328,805,412,265	132,269,417,751
<b>430</b>	<b>II. Bonus and welfare funds</b>	<b>18</b>	<b>9,895,516,916</b>	<b>7,401,986,128</b>
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>2,089,537,439,731</b>	<b>1,479,209,676,291</b>

# BALANCE SHEET (continued)

AS AT 31 DECEMBER 2009

## OFF BALANCE SHEET ITEMS

Code	ITEMS	VND	
		31 December 2009	31 December 2008
001	1. Fixed assets under operating lease	-	-
002	2. Goods, valuable certificates held under trust	-	-
003	3. Assets held by the Company on consignment	-	-
004	4. Bad debts written off	-	-
005	5. Foreign currencies	91,436,195	122,452,190
006	6. Custody securities	2,041,245,200,000	2,195,049,720,000
	<i>Included:</i>		
007	6.1. Trading securities	1,883,991,420,000	2,084,337,220,000
008	6.1.1. Trading securities of custody members	144,269,780,000	1,350,616,510,000
009	6.1.2. Trading securities of local investors	1,667,783,750,000	716,019,430,000
010	6.1.3. Trading securities of foreign investors	71,920,890,000	17,701,280,000
011	6.1.4. Trading securities of other organizations	-	-
012	6.2. Temporarily un-tradable securities	85,951,930,000	-
013	6.2.1. Temporarily un-tradable securities of custody members	1,680,000,000	-
014	6.2.2. Temporarily un-tradable securities of local investors	82,997,690,000	-
015	6.2.3. Temporarily un-tradable securities of foreign investors	1,274,240,000	-
016	6.2.4. Temporarily un-tradable securities of other organizations	-	-
017	6.3. Mortgaged securities	43,909,450,000	23,713,200,000
018	6.3.1. Mortgaged securities of custody members	-	-
019	6.3.2. Mortgaged securities of local investors	43,909,450,000	23,713,200,000
020	6.3.3. Mortgaged securities of foreign investors	-	-
021	6.3.4. Mortgaged securities of other organizations	-	-
022	6.4. Temporarily blocked securities	-	-
023	6.4.1. Temporarily blocked securities of custody members	-	-
024	6.4.2. Temporarily blocked securities of local investors	-	-
025	6.4.3. Temporarily blocked securities of foreign investors	-	-
026	6.4.4. Temporarily blocked securities of other organizations	-	-
027	6.5. Securities awaiting for settlement	27,409,400,000	86,999,300,000
028	6.5.1. Securities awaiting for settlement of custody members	4,606,100,000	51,682,000,000
029	6.5.2. Securities awaiting for settlement of local investors	22,722,100,000	34,628,800,000
030	6.5.3. Securities awaiting for settlement of foreign investors	81,200,000	688,500,000
031	6.5.4. Securities awaiting for settlement of other organizations	-	-

## BALANCE SHEET

## OFF BALANCE SHEET ITEMS (continued)

Code	ITEMS	VND	
		31 December 2009	31 December 2008
032	6.6. Frozen securities awaiting for withdrawal	-	-
033	6.6.1. Frozen securities awaiting for withdrawal of custody members	-	-
034	6.6.2. Frozen securities awaiting for withdrawal of local investors	-	-
035	6.6.3. Frozen securities awaiting for withdrawal of foreign investors	-	-
036	6.6.4. Frozen securities awaiting for withdrawal of other organizations	-	-
037	6.7. Securities awaiting for trading	-	-
038	6.7.1. Securities awaiting for trading of custody members	-	-
039	6.7.2. Securities awaiting for trading of local investors	-	-
040	6.7.3. Securities awaiting for trading of foreign investors	-	-
041	6.7.4. Securities awaiting for trading of other organizations	-	-
042	6.8. Securities mortgaged for a loan	-	-
043	6.8.1. Securities mortgaged for a loan of custody members	-	-
044	6.8.2. Securities mortgaged for a loan of local investors	-	-
045	6.8.3. Securities mortgaged for a loan of foreign investors	-	-
046	6.8.4. Securities mortgaged for a loan of other organizations	-	-
047	6.9. Securities for correcting transaction errors	-	-
<b>050</b>	<b>7. Unlisted custody securities</b>	<b>33,059,090,000</b>	<b>-</b>
	<i>Included:</i>		
051	7.1. Trading securities	32,930,290,000	-
052	7.1.1. Trading securities of custody members	-	-
053	7.1.2. Trading securities of local investors	31,623,970,000	-
054	7.1.3. Trading securities of foreign investors	1,306,320,000	-
055	7.1.4. Trading securities of other organizations	-	-
056	7.2. Temporarily un-tradable securities	76,600,000	-
057	7.2.1. Temporarily un-tradable securities of custody members	-	-
058	7.2.2. Temporarily un-tradable securities of local investors	76,600,000	-
059	7.2.3. Temporarily un-tradable securities of foreign investors	-	-
060	7.2.4. Temporarily un-tradable securities of other organizations	-	-

# BALANCE SHEET (continued)

AS AT 31 DECEMBER 2009

## OFF BALANCE SHEET ITEMS (continued)

<i>Code</i>	<i>ITEMS</i>	<b>VND</b>	
		<b>31 December 2009</b>	<b>31 December 2008</b>
061	7.3. Mortgaged securities	-	-
062	7.3.1. Mortgaged securities of custody members	-	-
063	7.3.2. Mortgaged securities of local investors	-	-
064	7.3.3. Mortgaged securities of foreign investors	-	-
065	7.3.4. Mortgaged securities of other organizations	-	-
066	7.4. Temporarily blocked securities	-	-
067	7.4.1. Temporarily blocked securities of custody members	-	-
068	7.4.2. Temporarily blocked securities of local investors	-	-
069	7.4.3. Temporarily blocked securities of foreign investors	-	-
070	7.4.4. Temporarily blocked securities of other organizations	-	-
071	7.5. Securities awaiting for settlement	52,200,000	-
072	7.5.1. Securities awaiting for settlement of custody members	-	-
073	7.5.2. Securities awaiting for settlement of local investors	52,200,000	-
074	7.5.3. Securities awaiting for settlement of foreign investors	-	-
075	7.5.4. Securities awaiting for settlement of other organizations	-	-
076	7.6. Frozen securities awaiting for withdrawal	-	-
077	7.6.1. Frozen securities awaiting for withdrawal of custody members	-	-
078	7.6.2. Frozen securities awaiting for withdrawal of local investors	-	-
079	7.6.3. Frozen securities awaiting for withdrawal of foreign investors	-	-
080	7.6.4. Frozen securities awaiting for withdrawal of other organizations	-	-
081	7.7. Securities for correcting transaction errors	-	-
<b>082</b>	<b>8. Uncustodied securities of customers</b>	-	-
<b>083</b>	<b>9. Uncustodied securities of securities companies</b>	-	-
<b>084</b>	<b>10. Entrusted securities for auction</b>	-	-

# INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

<b>Code</b>	<b>ITEMS</b>	<b>Notes</b>	<b>2009</b>	<b>VND 2008</b>
<b>01</b>	<b>1. Revenue</b>			
	<i>Included:</i>			
01.1	Revenue from brokerage services		121,204,323,347	32,600,815,140
01.2	Revenue from securities investment		267,795,435,514	229,535,249,035
01.3	Revenue from securities underwriting services		150,000,000	-
01.4	Revenue from securities issuance agency services		52,741,959	1,222,102,790
01.5	Revenue from finance advisory services		2,674,026,591	4,555,892,822
01.6	Revenue from securities custody services		-	-
01.7	Revenue from trust auction activities		270,024,519	2,940,794,984
01.8	Revenue from property lease		-	-
01.9	Other revenue	19	99,131,623,782	93,479,469,324
<b>02</b>	<b>2. Deductions</b>		-	-
<b>10</b>	<b>3. Net revenues from operating activities</b>		<b>491,278,175,712</b>	<b>364,334,324,095</b>
<b>11</b>	<b>4. Operating expenses</b>	<b>20</b>	<b>(131,126,700,465)</b>	<b>(265,127,698,274)</b>
	<i>In which:</i>			
	<i>Operating expenses</i>		<i>(281,416,752,641)</i>	<i>(292,071,855,839)</i>
	<i>Reversal of provision for a decline in value of short-term investments</i>		<i>150,290,052,176</i>	<i>26,944,157,565</i>
<b>20</b>	<b>5. Gross profit from operating activities</b>		<b>360,151,475,247</b>	<b>99,206,625,821</b>
<b>25</b>	<b>6. General and administrative expenses</b>	<b>21</b>	<b>(38,272,543,336)</b>	<b>(75,659,385,515)</b>
	<i>In which:</i>			
	<i>General and administration expenses</i>		<i>(51,130,997,336)</i>	<i>(75,659,385,515)</i>
	<i>Reversal of provision for doubtful debts</i>		<i>12,858,454,000</i>	-
<b>30</b>	<b>7. Net profit from operating activities</b>		<b>321,878,931,911</b>	<b>23,547,240,306</b>
<b>31</b>	<b>8. Other income</b>		<b>14,434,532,505</b>	<b>166,349,412</b>
<b>32</b>	<b>9. Other expenses</b>		-	<b>(170,578,606)</b>
<b>40</b>	<b>10. Other profit/(loss)</b>	<b>22</b>	<b>14,434,532,505</b>	<b>(4,229,194)</b>
<b>50</b>	<b>11. Accounting profit before tax</b>		<b>336,313,464,416</b>	<b>23,543,011,112</b>
<b>51</b>	<b>12. Current enterprise income tax expense</b>	<b>23</b>	<b>(58,194,145,781)</b>	-
<b>52</b>	<b>13. Deferred income tax expense</b>		-	-
<b>60</b>	<b>14. Net profit after enterprise income tax</b>		<b>278,119,318,635</b>	<b>23,543,011,112</b>
<b>70</b>	<b>15. Earnings per share</b>		-	-
	- Basic	24	7,056	601
	- Diluted	24	4,704	400

# CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

<i>Code</i>	<i>ITEMS</i>	<i>Notes</i>	<i>2009</i>	<i>VND</i> <i>2008</i>
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>1. Net profit before tax</b>		<b>336,313,464,416</b>	<b>23,543,011,112</b>
	<b>2. Adjustments for:</b>			
02	- Depreciation and amortization	9, 10	6,226,131,251	3,938,505,396
03	- Reversals/(provisions)		(119,817,718,106)	191,055,977,813
04	- Unrealised foreign exchange gains/(losses)		-	-
05	- Profits from investing activities		(150,415,279,815)	(232,496,640,919)
06	- Interest expense		-	-
<b>08</b>	<b>3. Operating profit/(loss) before changes in working capital</b>		<b>72,306,597,746</b>	<b>(13,959,146,598)</b>
09	- (Increase)/decrease in receivables		(768,646,700,578)	183,350,295,844
10	- (Increase)/decrease in inventories		-	-
11	- Increase/(decrease) in payables (other than interest, enterprise income tax)		311,936, 583,035	(83,464,251,627)
12	- Increase in prepaid expenses		(15,531,967,018)	(1,987,955,950)
13	- Interest paid		-	-
14	- Enterprise income tax paid	23.2	(19,802,631,429)	(14,935,361,705)
15	- Other cash inflows from operating activities		-	8,200,000
16	- Other cash outflows from operating activities		(3,009,443,076)	(1,435,501,590)
<b>20</b>	<b>Net cash flows (used in)/from operating activities</b>		<b>(422,747,561,320)</b>	<b>67,576,278,374</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	1. Purchase and construction of fixed assets and other long-term assets		(8,707,222,476)	(10,099,708,714)
22	2. Proceeds from disposals of fixed assets and other long-term assets		-	-
23	3. Loans to other entities and payments for purchase of debt instruments of other entities		(563,890,140,078)	(2,776,343,824,478)
24	4. Collections from borrowers and proceeds from sale of debt instruments of other entities		1,659,338,591,821	1,944,618,962,832
25	5. Payments for investments in other entities		(907,951,063,720)	(280,351,895,332)
26	6. Proceeds from sale of investments in other entities		897,772,762,942	278,292,419,915
27	7. Interest and dividends received		59,482,174,594	97,441,724,739
<b>30</b>	<b>Net cash outflows from/(used in) investing activities</b>		<b>1,136,045,103,083</b>	<b>(746,442,321,038)</b>

## CASH FLOW STATEMENT

<i>Code</i>	<i>ITEMS</i>	<i>Notes</i>	<b>2009</b>	<b>VND 2008</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	1. Capital contribution and issuance of shares	18.1	-	270,034,696,000
32	2. Capital redemption	18	(435,242,200)	(215,000,000)
33	3. Drawdown of borrowings		-	-
34	4. Repayment of borrowings		-	-
35	5. Payment of finance lease liabilities		-	-
36	6. Dividends paid to equity holders		(20,769,370,960)	(38,019,370,900)
<b>40</b>	<b>Net cash flows (used in)/from financing activities</b>		<b>(21,204,613,160)</b>	<b>231,800,325,100</b>
<b>50</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>692,092,928,603</b>	<b>(447,065,717,564)</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>		<b>134,722,054,635</b>	<b>581,787,772,199</b>
<b>61</b>	<b>Impact of exchange rate fluctuation</b>		<b>-</b>	<b>-</b>
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>		<b>826,814,983,238</b>	<b>134,722,054,635</b>

## NON-MONETARY TRANSACTION

<i>ITEMS</i>	<b>2009</b>	<b>2008</b>
Transfer from other payables to share capital	-	427,060,794,000

# NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 and Ha Noi.

The number of Ho Chi Minh City Securities Corporation's employees as at 31 December 2009 is 212 persons (31 December 2008: 169 persons).

## 2. BASIS OF PREPARATION

### 2.1 *Accounting Standards and System*

The financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System 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).

The accompanying balance sheet, income statement, 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 No. 95/2008/TT-BTC dated 24 October 2008 guiding on the accounting policies for securities companies.

### 2.2 *Registered accounting documentation system*

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

### 2.3 *Fiscal year*

The Company's fiscal year starts on 01 January and ends on 31 December.

### 2.4 *Accounting currency*

The Company maintains its accounting records in VND.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Comparative figures

A number of comparative figures of prior year have been represented to be in accordance with the current year figures when the Company applied the Circular No. 95/2008/TT-BTC dated 24 October 2008 on the accounting guidance applicable to the securities companies.

#### 3.2 Cash and cash equivalents

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

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

#### 3.3 Receivables

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

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the income statement.

The Company provides the provision for doubtful debts in accordance with the Circular No 228/2009/TT-BTC by Ministry of Finance dated 07 December 2009. Accordingly, the provision rates for the doubtful debts are applied as follows:

<i>Overdue time</i>	<i>Provision rate</i>
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%

#### 3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

#### 3.5 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 fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

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

# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.6 *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 of preparing the intangible fixed asset for its intended use.

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

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

### 3.7 *Depreciation and amortization*

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:

Means of transportation	6 years
Office equipments	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 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 income statement over two (02) to three (03) years:

- ▶ Office renovation costs;
- ▶ Office rentals; and
- ▶ Office equipment costs

### 3.9 *Short-term and long-term investment securities*

The Circular No. 95/2008/TT-BTC allows securities companies to recognise securities investments under either cost accounting method or fair value accounting method. Therefore, the Company selects the cost accounting method to recognise its securities investments.

#### *Short-term financial investments*

Short-term financial investments include those that are held for trading and recognized at cost at transaction date. These securities are subsequently measured at the lower between historical cost and market value. Any decrease arising from impairment or decline in market value of such investments are recognized in the income statement. Equity securities' dividends received are recognized as a deduction in carrying value trading securities for the portion incurred before the purchasing date and as an investment income for the portion incurred since the purchasing date.

#### *Long-term financial investment securities*

Long-term financial investment securities include the investment in bond which is initially recognised at historical cost. In subsequent periods, long-term financial investment securities are measured at historical cost minus (-) the provision for long-term financial investments, if any. Debt securities' interests received are recognized as a deduction in carrying value trading securities for the portion incurred before the purchasing date and as an investment income for the portion incurred since the purchasing date.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 *Short-term and long-term investment securities (continued)*

##### *Provision for short-term investment*

Provision for diminution is made for individual stocks which have market values lower than book values.

The market prices of listed securities are determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh Stock Exchange) as at 31 December 2009.

The market prices of unlisted shares which are registered for trading on the UPCoM market are determined based on the average trading prices in the system as at the closing date.

The market prices of unlisted securities which are not registered for trading on the UPCoM market are determined based on the average quoted prices obtained from at least three large-scaled securities companies on the stock market. Otherwise, securities are stated at cost.

For the unlisted securities which are not registered trading on UPCoM as well as trading publicly on market, provision for impairment is made if the investees incur net loss (except for the loss is incurred in line with the business plan before the investment) in accordance with the Circular 228/2009/TT-BTC issued by Ministry of Finance on 07 December 2009. The level of provision for impairment loss is equal (Total actual capital contributions of all parties to the investee minus (-) Owners' equity of the investee) multiplied (x) (Investment capital of the Company and subsidiaries/Total actual capital contributions of all parties to the investee).

#### 3.10 *Reverse repurchase agreements*

Securities purchased under agreements to resell at a specified future date ("reverse repos") (if any) are not recognised on the balance sheet. The corresponding cash paid is recognised as an asset in the balance sheet. The difference between the purchasing price and the reselling price is accrued to the income statement over the life of the agreement using the straight-line method. For the overdue agreements, the difference between the reselling prices and the purchasing price is only recognized in the income statement when the Company receives.

#### 3.11 *Payable and accrual*

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

#### 3.12 *Accrual for severance pay*

The severance pay 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 for each year of service up to 31 December 2008 in accordance with the Labour Code, and related implementing guidance. Commencing from 01 January 2009, the Company accrues for unemployment insurance according to the Decision No. 127/2008/ND-CP dated 12 December 2008. Accordingly, employees contribute unemployment insurance by 1% of monthly salary while employer contribute 1% of total salary fund for employees and the Government subsidizes from State Treasury with 1% of total salary fund for employees who engage in this unemployment insurance.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.13 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 the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at inter-bank exchange rates ruling at the balance sheet date. All realized and unrealized foreign exchange differences are taken to the income statement.

### 3.14 Treasury shares (buy-back shares)

Own 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.

### 3.15 Appropriation of net profits

Net profit after tax is available for appropriation to investors after approval by the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

### 3.16 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. The following specific recognition criteria must also be met before revenue is recognized:

#### *Revenue from brokerage services*

Revenue from brokerage services is recognized in the 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 average cost of securities sold.

#### *Dividend*

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

#### *Interest*

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

#### *Rendering of services*

Where the contract outcome can be reliably measured, revenue is recognized by reference to the stage of completion.

Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

### 3.17 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.18 Taxation

##### *Current income tax*

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

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

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

##### *Deferred tax*

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

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

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

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;

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.18 Taxation (continued)

#### Deferred tax (continued)

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.

## 4. CASH AND CASH EQUIVALENTS

	<i>VND</i>	
	<i>31 December 2009</i>	<i>31 December 2008</i>
Cash on hand	288,475,354	406,867,526
Cash at banks	826,526,507,884	134,315,187,109
<b>TOTAL</b>	<b>826,814,983,238</b>	<b>134,722,054,635</b>

At 31 December 2009, cash at banks included term deposits with period from one (01) to two (02) months with the interest rate ranging from 10.47% p.a. to 13.00% p.a.

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

	<i>VND</i>	
	<i>Volume</i>	<i>Value</i>
<b>a. Trading result of the Company</b>		
- Shares	36,457,137	1,769,392,681,200
- Bonds	19,340,000	2,140,621,070,000
<b>b. Trading result of the investors</b>		
- Shares	1,510,079,116	60,686,113,731,500
- Bonds	29,184,742	3,094,283,192,000
<b>TOTAL</b>	<b>1,595,060,995</b>	<b>67,690,410,674,700</b>

## 6. FINANCIAL INVESTMENTS

	Quantity	Value	Compare to the market		Total market value	VND
			Increase	Decrease		
<b>I. Short-term investments</b>						
- Listed shares	3,348,070	180,807,607,116	1,583,069,966	(23,505,513,982)	158,885,163,100	
- Unlisted shares	5,081,861	167,788,577,502	6,319,512,398	(57,585,216,530)	116,522,873,370	
<b>TOTAL</b>		<b>348,596,184,618</b>	<b>7,902,582,364</b>	<b>(81,090,730,512)</b>	<b>275,408,036,470</b>	
<b>II. Long-term investments</b>						
<i>Available-for-sale securities</i>						
- Bonds	520,745	52,671,336,384	-	-	52,671,336,384	

# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 6. FINANCIAL INVESTMENTS (continued)

### 6.1 Short-term investments

Detail of short-term investments of the Company are as follow:

	<i>VND</i>	
	<i>31 December 2009</i>	<i>31 December 2008</i>
Short-term investments in securities	348,596,184,618	369,171,202,766
Provision for a decline in value of short-term investments	(81,090,730,512)	(189,549,554,129)
<b>Net value of short-term investments</b>	<b>267,505,454,106</b>	<b>179,621,648,637</b>

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

	<i>VND</i>	
	<i>31 December 2009</i>	<i>31 December 2008</i>
Balance at beginning of the year	189,549,554,129	32,082,058,539
<i>Add:</i> Provision created during the year	41,831,228,559	184,411,653,155
<i>Less:</i> Reversal of provision during the year	(150,290,052,176)	(26,944,157,565)
<b>Balance at the end of the year</b>	<b>81,090,730,512</b>	<b>189,549,554,129</b>

### 6.2 Available-for-sale securities

	<i>VND</i>	
	<i>31 December 2009</i>	<i>31 December 2008</i>
Government bonds	20,596,836,384	931,435,755,000
Local bonds	32,074,500,000	32,074,500,000
Corporate bonds	-	65,786,414,128
<b>TOTAL</b>	<b>52,671,336,384</b>	<b>1,029,296,669,128</b>

## THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 7. SHORT-TERM RECEIVABLES

ITEMS	Beginning balance			Movement			Ending balance			Provision amount
	Total	Overdue	Doubtful	Increase	Decrease	Total	Overdue	Doubtful		
1. Trade receivables	2,974,849,166	-	-	62,677,027,744	64,522,009,810	1,129,867,100	1,000,000,000	129,667,100	129,667,100	
- <i>Receivables from advisory services</i>	944,982,066	-	-	4,062,054,134	5,007,036,200	-	-	-	-	
- <i>Receivables from securities investment</i>	2,029,867,100	-	-	58,614,973,610	59,514,973,610	1,129,867,100	1,000,000,000	129,667,100	129,667,100	
2. Receivables from securities trading	47,317,151,378	-	35,338,236,723	22,104,489,123,847	21,460,101,297,238	655,156,686,651	-	15,781,390,634	15,781,390,634	
- <i>Receivables from foreign investors</i>	290,961,042	-	-	35,725,516,350	35,536,495,402	479,981,990	-	-	-	
- <i>Receivables from advances to investors</i>	47,093,590,336	-	35,338,236,723	4,500,994,204,063	4,467,142,252,983	44,397,250,080	-	15,781,390,634	15,781,390,634	
- <i>Receivables from investment co-operation contracts</i>	(67,400,000)	-	-	17,400,354,117,339	16,790,062,882,758	610,223,834,581	-	-	-	
- <i>Receivables from investors trading OTC shares</i>	-	-	-	167,415,286,095	167,359,666,095	55,620,000	-	-	-	
3. Other receivables	81,286,304,031	40,527,189,405	-	1,513,001,869,956	1,341,236,091,320	253,052,082,667	27,893,372,903	-	4,936,180,000	
- <i>Deposits for auction</i>	2,259,671,282	-	-	-	2,259,671,282	-	-	-	-	
- <i>Deposit of purchasing assets</i>	5,610,000,000	-	-	-	5,610,000,000	-	-	-	-	
- <i>Bond interest receivables</i>	6,338,771,770	-	-	938,185,392,928	939,247,268,927	5,276,895,771	-	-	-	
- <i>Term deposit interest receivables</i>	6,580,000,000	-	-	9,027,343,768	12,744,038,620	2,863,305,148	-	-	-	
- <i>Receivables from reverse repurchase agreements</i>	60,239,155,974	40,527,189,405	-	565,696,013,610	381,041,796,681	244,893,372,903	27,893,372,903	-	4,936,180,000	
- <i>Other short-term receivables</i>	258,705,005	-	-	93,119,650	333,315,810	18,508,845	-	-	-	
<b>TOTAL</b>	<b>131,578,304,575</b>	<b>40,527,189,405</b>	<b>35,338,236,723</b>	<b>23,680,168,021,547</b>	<b>22,865,859,398,368</b>	<b>909,338,636,418</b>	<b>28,893,372,903</b>	<b>15,911,057,734</b>	<b>20,847,237,734</b>	

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# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 8. OTHER CURRENT ASSETS

	<i>VND</i>	
	<i>31 December 2009</i>	<i>31 December 2008</i>
Shortage of assets awaiting for resolution	166,200,000	166,200,000
Advances	312,279,535	206,761,874
Deposits of house rentals, software	797,978,161	608,205,661
<b>TOTAL</b>	<b>1,276,457,696</b>	<b>981,167,535</b>

## 9. TANGIBLE FIXED ASSETS

	<i>VND</i>		
	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost:</b>			
As at 01 January 2009	3,219,787,884	9,482,667,099	12,702,454,983
- Newly purchased	-	3,793,835,974	3,793,835,974
- Transferred from constructions in progress	-	162,726,323	162,726,323
As at 31 December 2009	3,219,787,884	13,439,229,396	16,659,017,280
<i>In which:</i>			
<i>Fully depreciated</i>	-	2,913,809,063	2,913,809,063
<b>Accumulated depreciation:</b>			
As at 01 January 2009	881,648,738	4,026,285,850	4,907,934,588
Depreciation for the year	538,904,652	3,061,826,983	3,600,731,635
As at 31 December 2009	1,420,553,390	7,088,112,833	8,508,666,223
<b>Net carrying amount:</b>			
As at 01 January 2009	2,338,139,146	5,456,381,249	7,794,520,395
As at 31 December 2009	1,799,234,494	6,351,116,563	8,150,351,057

NOTES TO  
THE FINANCIAL STATEMENTS**10. INTANGIBLE FIXED ASSETS**

	<b>VND</b>
	<b>Computer softwares</b>
<b>Cost:</b>	
As at 01 January 2009	8,645,993,297
- Newly purchased	2,253,289,641
- Transferred from constructions in progress	1,172,582,484
- Written off	(48,974,671)
As at 31 December 2009	12,022,890,751
<b>Accumulated amortization:</b>	
As at 01 January 2009	1,538,535,360
- Amortization for the year	2,625,399,616
- Written off	(48,974,671)
As at 31 December 2009	4,114,960,305
<b>Net carrying amount:</b>	
As at 1 January 2009	7,107,457,937
As at 31 December 2009	7,907,930,446

**11. CONSTRUCTIONS IN PROGRESS**

	<b>VND</b>	
	<b>31 December 2009</b>	<b>31 December 2008</b>
Solution for financial and securities information	1,762,604,605	-
Purchases of other tangible fixed assets	366,913,911	804,730,462
<b>TOTAL</b>	<b>2,129,518,516</b>	<b>804,730,462</b>

**12. LONG-TERM PREPAID EXPENSES**

	<b>VND</b>	
	<b>31 December 2009</b>	<b>31 December 2008</b>
Office rentals (*)	18,595,617,764	1,310,423,274
Prepaid expenses of office equipments	1,789,733,574	1,545,819,710
Office renovation costs	1,543,724,826	4,645,047,714
<b>TOTAL</b>	<b>21,929,076,164</b>	<b>7,501,290,698</b>

(\*): This included the 10% of advance payment for lease of 1,802 m<sup>2</sup> in AB Tower for the period of 40 years amounting to 11 billion Vietnam dong.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 13. DEPOSITS TO SETTLEMENT SUPPORT FUND

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

According to the Decision No. 60/2004/QD-BTC dated 15 July 2004 and the Decision No. 72/2005/QD-BTC dated 21 October 2005 issued by the Ministry of Finance and the Decision No. 17/2007/QD-TTLK dated 02 April 2008 issued by the Custody Centre of State Securities Commission, 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 total value trading of dealing and brokered securities in prior year.

Movements of deposits to Settlement Support Fund during the year was as follows:

	<i>VND</i>	
	<i>31 December 2009</i>	<i>31 December 2008</i>
Opening balance	120,000,000	120,000,000
Additional contribution	2,140,647,805	978,922,732
Interest income in 2006 and 2007	25,487,076	25,487,076
Interest received in 2009	52,901,505	-
<b>Ending balance</b>	<b>2,339,036,386</b>	<b>1,124,409,808</b>

## 14. OTHER LONG-TERM ASSETS

This represented long-term deposits for the leases of the Company's offices.

## 15. STATUTORY OBLIGATIONS

	<i>VND</i>	
	<i>31 December 2009</i>	<i>31 December 2008</i>
Enterprise income tax ( <i>Note 23.2</i> )	30,716,234,517	-
Personal income tax	318,119,895	-
Value added tax	84,967,998	231,025,959
Other taxes	4,711,400,968	1,324,195,302
<b>TOTAL</b>	<b>35,830,723,378</b>	<b>1,555,221,261</b>

NOTES TO  
THE FINANCIAL STATEMENTS

## 16. ACCRUED EXPENSES

	<i>VND</i>	
	<i>31 December 2009</i>	<i>31 December 2008</i>
Allowance for working completion payables to employees	7,167,892,437	-
Brokerage fee payables to Stock Exchange	1,925,527,037	653,578,520
Brokerage commission payables	-	80,000,000
Other accrued expenses	123,000,002	16,000,000
<b>TOTAL</b>	<b>9,216,419,476</b>	<b>749,578,520</b>

## 17. OTHER PAYABLES

	<i>VND</i>	
	<i>31 December 2009</i>	<i>31 December 2008</i>
Dividend payables to shareholders	42,405,496,459	11,949,619,419
Trade union	650,236,221	512,795,771
Social insurance	137,363,075	174,878,436
Health insurance	115,988,459	112,065,900
Unemployment insurance	74,745,260	-
Other payables	110,687,276	175,811,669
<b>TOTAL</b>	<b>43,494,516,750</b>	<b>12,925,171,195</b>

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	VND Total
<b>For the financial year ended 31 December 2008</b>									
<b>Beginning balance</b>	<b>200,000,000,000</b>	<b>236,099,785,000</b>	-	<b>3,976,374,994</b>	<b>10,717,087,214</b>	<b>3,140,567,259</b>	<b>914,643,935</b>	<b>194,595,180,551</b>	<b>649,443,638,953</b>
- 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)	(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 declared	-	-	-	-	-	-	-	(47,316,077,100)	(47,316,077,100)
- Other adjustments	-	-	-	-	-	-	-	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>

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 financial year ended 31 December 2009</b>									
<b>Beginning balance</b>	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 year	-	-	-	-	-	-	-	278,119,318,635	278,119,318,635
- Purchase of treasury shares	-	-	(1,296,442,200)	-	-	861,200,000	-	-	(435,242,200)
- Creation of reserves and funds for 2008	-	-	-	-	(172,398,374)	2,354,301,112	235,430,111	(2,417,332,849)	-
- Temporary creation of reserves and fund for 2009	-	-	-	-	27,811,931,864	-	-	(27,811,931,864)	-
- Utilisation of funds	-	-	-	-	(721,970,324)	(663,914,000)	-	-	(1,385,884,324)
- Dividends declared	-	-	-	-	-	-	-	(51,225,248,000)	(51,225,248,000)
- Other adjustments	-	-	-	-	-	-	-	(128,811,408)	(128,811,408)
<b>Ending balance</b>	394,634,000,000	757,828,775,000	(1,941,442,200)	3,961,374,994	54,097,834,988	9,895,516,916	1,110,411,526	328,805,412,265	1,548,391,883,489

# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 18. OWNERS' EQUITY (continued)

### 18.2 Share capital

	31 December 2009		31 December 2008	
	<i>Total</i>	<i>Ordinary shares</i>	<i>Total</i>	<i>Ordinary shares</i>
	<i>VND</i>			
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	(1,941,442,200)	(1,941,442,200)	(645,000,000)	(645,000,000)
<b>TOTAL</b>	<b>1,150,521,332,800</b>	<b>1,150,521,332,800</b>	<b>1,151,817,775,000</b>	<b>1,151,817,775,000</b>

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

	<i>VND</i>	
	<i>2009</i>	<i>2008</i>
<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>20,769,370,960</b>	<b>38,019,370,900</b>

### 18.4 Dividends

	<i>VND</i>	
	<i>2009</i>	<i>2008</i>
<b>Dividends declared and paid during the financial reporting year</b>		
<i>Dividends on ordinary shares</i>		
Interim dividends for 2007: VND 500 per share	35,354,000	-
Interim dividends for 2008: VND 700 per share	9,473,877,270	-
Final dividend for 2008: VND 300 per share (2007: VND 500 per share)	11,260,139,690	19,673,172,800
Interim dividends for 2009: VND 1,000 per share (2008: VND 700 per share)	-	18,346,198,100

NOTES TO  
THE FINANCIAL STATEMENTS**18. OWNERS' EQUITY (continued)****18.5 Shares**

	<i>31 December 2009</i> <i>Share</i>	<i>31 December 2008</i> <i>Share</i>
<b>Authorized shares</b>	<b>39,463,400</b>	<b>39,463,400</b>
<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	64,628	21,500
<b>Shares in circulation</b>		
Ordinary shares	39,398,772	39,441,900

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

**18.6 Funds belonging to owners' equity**

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

	<i>Percentage of</i> <i>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 the Annual General Meeting.

**19. OTHER REVENUE**

	<i>2009</i>	<i>VND</i> <i>2008</i>
Interest income from deposits at banks	55,390,431,049	62,932,334,059
Revenue from investment co-operation contracts	31,411,370,930	-
Revenue from reverse repurchase agreements	6,010,703,454	25,013,885,696
Revenue from advances to investors	4,811,538,359	4,465,331,590
Other revenue	1,507,579,990	1,067,917,979
<b>TOTAL</b>	<b>99,131,623,782</b>	<b>93,479,469,324</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 20. OPERATING EXPENSES

	<b>2009</b>	<b>VND 2008</b>
Securities investment expenses (*)	172,770,586,748	78,742,599,987
Staff cost	28,259,600,083	11,444,045,092
Brokerage expenses	26,787,034,698	6,813,568,572
Outsourced services	6,739,331,892	3,554,532,103
Depreciation and amortisation	3,325,595,986	1,760,901,166
Office supplies	318,102,575	140,886,653
Other expenses	1,385,272,100	5,203,669,111
Provision for a decline in value of short-term investments	41,831,228,559	184,411,653,155
Reversal of provision for a decline in value of short-term investments	(150,290,052,176)	(26,944,157,565)
<b>TOTAL</b>	<b>131,126,700,465</b>	<b>265,127,698,274</b>

(\*): According to Circular 95/2008/TT-BTC dated 24 October 2008 issued by Ministry of Finance guiding on the accounting policies for securities companies, gains (selling price more than purchased cost) on securities investment trading are recognised in revenue from securities investment and losses (selling price less than purchased cost) are recognised in securities investment expenses.

## 21. GENERAL AND ADMINISTRATIVE EXPENSES

	<b>2009</b>	<b>VND 2008</b>
Staff cost	22,606,369,054	15,993,114,336
Office rental	9,765,115,822	5,416,096,757
Outsourced services	8,737,800,103	10,551,030,262
Office renovation expenses	4,931,387,498	5,547,874,071
Depreciation and amortisation	2,900,535,265	2,176,176,512
Taxes and other fees	558,762,469	365,853,097
Office supplies	209,695,521	1,869,755,110
Other expenses	369,584,593	1,085,540,647
Provision for doubtful debts	1,051,747,011	32,653,944,723
Reversal of provision for doubtful debts	(12,858,454,000)	-
<b>TOTAL</b>	<b>38,272,543,336</b>	<b>75,659,385,515</b>

NOTES TO  
THE FINANCIAL STATEMENTS**22. OTHER INCOME AND EXPENSES**

	<b>2009</b>	<b>VND 2008</b>
<b>Other income</b>		
Income from transfer of right of investment (*)	14,424,300,000	-
Other income	10,232,505	166,349,412
	<b>14,434,532,505</b>	<b>166,349,412</b>
<b>Other expenses</b>	-	<b>(170,578,606)</b>
<b>NET</b>	<b>14,434,532,505</b>	<b>(4,229,194)</b>

(\*): This was the income from transferring the right of investment in an apartment of the Him Lam Co. Ltd.'s project.

**23. ENTERPRISE INCOME TAX (“EIT”)**

The Company has the obligation to pay EIT with the rate of 20% of taxable profits for the period of the first 10 years and 25% thereafter. According to the articles of the Company's Business Licence, the Company is entitled to an exemption from EIT for two (02) years from the first year of earning profit (2003 - 2004) and a 50% deduction of EIT for the following three (03) years (2005 - 2007).

According to the Circular 03/2009/TT-BTC by the Ministry of Finance dated 13 January 2009, the Company is entitled to a 30% deduction of EIT for the Quarter IV 2008 and the year 2009 as the small and medium enterprise.

**23.1 Enterprise income tax expense**

	<b>2009</b>	<b>VND 2008</b>
EIT expense at rate of 20%	54,485,020,502	-
Adjustment for under accrual of tax from prior years	19,802,631,429	-
Deductible EIT according to the Circular No. 03/2009/TT-BTC	(16,453,506,150)	-
<b>TOTAL</b>	<b>58,194,145,781</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 23. ENTERPRISE INCOME TAX (“EIT”) (continued)

### 23.2 Current enterprise income tax

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year 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.

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

	<b>2009</b>	<b>VND 2008</b>
<b>Profit before tax</b>	<b>336,313,464,416</b>	<b>23,543,011,112</b>
<i>Adjustments to increases:</i>		
Non-deductible expenses	108,000,000	-
<i>Adjustments to decreases:</i>		
Dividend income not subject to EIT	(6,174,580,324)	(20,791,561,083)
Reversal of provision for a decline in value of unlisted securities	(56,021,781,581)	-
Bond interest income not subject to EIT	-	(46,291,543,931)
<b>Estimated current taxable profit</b>	<b>274,225,102,511</b>	<b>(43,540,093,902)</b>
EIT expense at rate of 20%	54,845,020,502	-
Adjustment for under accrual of tax from prior years	19,802,631,429	-
Deductible EIT according to the Circular No. 03/2009/TT-BTC	(16,453,506,150)	-
<b>Estimated current EIT</b>	<b>58,194,145,781</b>	<b>-</b>
<b>EIT (overpaid) / payable at the beginning of the year</b>	<b>(7,675,279,835)</b>	<b>7,260,081,870</b>
EIT paid during the year	(19,802,631,429)	(14,935,361,705)
<b>EIT payable / (overpaid) at the end of the year</b>	<b>30,716,234,517</b>	<b>(7,675,279,835)</b>

### 23.3 Deferred enterprise income tax

There was no deferred tax recognized as at 31 December 2009 since there are no significant identified items treated as temporary differences between the carrying value and the tax base of assets and liability in the financial statements.

NOTES TO  
THE FINANCIAL STATEMENTS

## 24. EARNINGS PER SHARE

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

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

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

	<b>2009</b>	<b>VND 2008</b>
Net profit after tax attributable to ordinary equity holders for basic earnings	278,119,318,635	23,543,011,112
<b>Net profit attributable to ordinary equity holders adjusted for the effect of dilution</b>	<b>278,119,318,635</b>	<b>23,543,011,112</b>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	39,415,855	39,200,372
<i>Effect of dilution:</i>		
Bonus shares (*)	19,707,927	19,600,186
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b>59,123,782</b>	<b>58,800,558</b>

(\*): According to the Notice No. 784/TB-SDGHCM dated 23 December 2009 by Ho Chi Minh Stock Exchange, the last registered date was on 29 December 2009 on which bonus shares of the Company from share premium were issued to the existing shareholders with the rate at 2:1 (existing shareholder hold two (02) shares will be received one (01) bonus share).

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

## 25. TRANSACTIONS WITH RELATED PARTIES

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

<b>Related parties</b>	<b>Relationship</b>	<b>Transactions</b>	<b>VND</b>
			<b>Amounts</b>
Dragon Capital Markets Limited (DC)	Shareholder	Dividend	3,666,000,000
		Purchasing securities	19,942,500,000
		Selling securities	71,163,760,000
		Broker fee	127,236,134
Ho Chi Minh City Investment Fund for Urban Development (HIFU)	Shareholder	Dividend	12,000,000,000
		Selling securities	23,137,080,000
		Broker fee	23,137,080

# NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT AND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

## 25. TRANSACTIONS WITH RELATED PARTIES (continued)

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>
<b>Payables in securities trading</b>			
Ho Chi Minh City Investment Fund for Urban Development (HIFU)	Shareholder	Deposits for trading securities	11,892,924

### Transactions with other related parties

*Remuneration to members of the Board of Management and Board of Directors*

	<i>2009</i>	<i>VND 2008</i>
Salaries and bonus	6,607,370,305	3,672,890,000

## 26. COMMITMENTS AND CONTINGENCIES

### *Operating lease commitment*

The Company leases offices under operating lease agreements are as follows:

#### **At Ho Chi Minh City:**

- Head office at 6 Thai Van Lung, District 1
- Branch office at 569-571-573 Tran Hung Dao, Cau Kho Ward, District 1
- Transaction office at 36 Hau Giang, Ward 2, District 6
- Branch AB Tower at 76 Le Lai, Ben Thanh Ward, District 1

#### **At Ha Noi:**

- Branch office at 6 Le Thanh Tong, Hoan Kiem District
- Branch office at 19 Lang Ha, Ba Dinh District
- Branch office at 193C Ba Trieu, Hai Ba Trung District

The minimum lease commitment as at 31 December 2009 under the operating lease agreements is as follows:

	<i>31 December 2009</i>	<i>VND 31 December 2008</i>
Less than 1 year	2,883,705,300	2,975,592,744
From 1 - 5 years	22,929,088,126	8,832,351,479
More than 5 years	102,144,892,331	-
<b>TOTAL</b>	<b>115,342,078,427</b>	<b>11,807,944,223</b>

**27. EVENTS AFTER THE BALANCE SHEET DATE**

On 01 February 2010, the Company received Decision No. 19/QD-SGDHCM from the Ho Chi Minh Stock Exchange which approved the Company to additionally list the bonus shares and the Notice No. 79/TB-SGDHCM on listing and officially trading the bonus shares on the Ho Chi Minh Stock Exchange on 09 February 2010. The number of the bonus shares additional listing was 19,699,386 units.

# TRANSACTION CENTERS

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District 1, HCMC  
Tel. (+84 8) 3823 3299  
Fax. (+84 8) 3823 3301



## 4. HANOI OFFICE

6 Le Thanh Tong Street,  
Hoan Kiem District, Ha Noi  
Tel. (+84 4) 3933 4693  
Fax. (+84 4) 3933 4822



## 2. TRAN HUNG DAO TRANSACTION OFFICE

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District 1, HCMC  
Tel. (+84 8) 3836 4189  
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## 5. LANG HA TRANSACTION OFFICE

19 Lang Ha Street,  
Ba Dinh District, Ha Noi  
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Fax. (+84 4) 3514 9520



## 3. HAU GIANG TRANSACTION OFFICE

36 Hau Giang Street, Ward 2,  
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## 6. BA TRIEU TRANSACTION OFFICE

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