

ANNUAL REPORT 2009

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THE BOARD OF MEMBERS

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Message from the Chairman of the board of members

Ladies and Gentlemen,

2009 was a year full of ups and downs for the Vietnamese equity market. Following the impact of the 2008 financial storm along with monetary and bank capital tightening measures during the first quarter of the year, the VN-Index dropped to 235.50 points – a record level in the past 04 years, with trading volumes also decreasing by 60%. However, thanks to the timely support of the Government via a demand stimulus package, a large volume of money has been injected directly into the banks in order to dredge capital and provide it to businesses. As a result, the securities market prospered again and the VN-Index reached a new peak of 628.92 points. As of the end of 2009, the capitalization level of the Vietnamese securities market was VND 620,000 billion, a threefold increase compared to 2008; the number of listed companies rose by more than 30% to a total number of 447 companies while the number of investors surged by more than 50% from 2008 to 739,000 accounts.

Starting its operation in the early days of the establishment of the Vietnamese stock market, ACBS has accumulated a treasure of experience and has always been active and flexible in applying rational business strategies that closely follow the market movements. In 2009, its turnover from business activities reached VND 523 billion, profit before tax (after the provision for securities depreciation) was VND 346 billion and total assets, as of the 31st of December 2009, amounted

ACBS will strive to achieve its business targets set for 2010 and continue to affirm its position as one of the leading securities companies in Vietnam.



to VND 2,571 billion. With the objective to ensure a stable growth speed, ACBS has strengthened its financial capacity, expanded its distribution channel system, utilized effectively its capital source in investment activities, restructured its human resource, improved its productivity and strictly managed operational risks. Meanwhile, in order to meet the increasingly high demand of investors, ACBS has put all its efforts in improving its existing products and services and developed new products as well as offered better customer service through a professional brokerage workforce.

2010 is a promising year in term of opportunities and challenges, but it means also a tougher competition among securities companies. Accordingly, ACBS has defined its operation orientation for the year as follows: develop its products and services in order to satisfy the customers' demand; expand its market share; establish an active sales force with an attractive brokerage commission structure; continue to

develop strongly its distribution channel and perfect its organizational capabilities at the Head Office and within its distribution network.

2010 will also see ACBS celebrate its 10th Anniversary, marking a remarkable milestone in the establishment and development of the company's history. ACBS believes that by having a rational business strategy, trust and support from customers, effort and determination from its officers and employees, it will strive to achieve its business targets set for 2010 and continue to affirm its position as one of the leading securities companies in Vietnam.

Respectfully yours,

A handwritten signature in blue ink, appearing to be 'Le Vu Ky', written over a large, stylized blue loop.

Chairman of the Board of Members
LE VU KY



I. HISTORY OF OPERATION OF ACB SECURITIES COMPANY

1. HISTORY OF ESTABLISHMENT

ACB Securities Company (ACBS) is a one-member limited liability company owned by Asia Commercial Joint Stock Bank (ACB). It was established in June 2000 along with the birth of the Vietnamese securities market and the HCMC Stock Exchange. As one of the first securities companies joining the market, ACBS has continuously developed and strengthened its financial potential, operation network and quality of its products and services to become a strong and prestigious brand name on the Vietnamese securities market.

2. HISTORY OF DEVELOPMENT

2.1 Line of business

ACB Securities Company Limited (ACBS) has been granted a business licence by the State Securities Commission since June 2000 and been permitted to provide a full range of securities services in compliance with the law and regulations:

- Securities brokerage;
- Proprietary securities trading;
- Securities depository;
- Securities issuance underwriting;
- Securities investment and securities depository advisory;

In addition, ACBS also provides a variety of products related to **Corporate Finance Advisory**:

- Advisory on mergers and acquisitions;
- Advisory on securities issuance;
- Advisory on securities issuance underwriting;
- Advisory on securities listing;
- Advisory on registration for the trading of unlisted public companies (Upcom);
- Advisory on equitization of enterprises;
- Advisory on securities auctioning and auction implementation;
- Advisory on conducting General Shareholders Meetings;
- Advisory on conversion of business ownership (from limited liability companies to joint stock companies and foreign-funded enterprises to joint-stock companies);
- Advisory on Corporate Finance Restructuring;

2.2 Capital growth

From a rather modest capital of VND 43 billion at the time of its establishment, ACBS has raised its charter capital to VND 1,500 billion, following several capital increases.

2.3 Human resource growth

At its establishment, ACBS counted a workforce of only 30 officers and employees. After nine years of operation, this number reached 188 staff as of the 31st of December 2009.

ACBS regularly offers professional refresher training to its staff, especially courses on Securities and Securities Market, in-depth courses for Brokers & Investment Consultants. Up to now, 139 employees are qualified or have been awarded with practice certificates at various levels, from securities trading to asset management.

2.4 Network growth

Despite difficult market conditions, ACBS still maintained its development pace, especially in expanding its network in order to provide the most outstanding service to investors and offer best execution in the most convenient way. As of the 31st of December 2009, the network of ACBS comprised of 1 head office, 8 branches and 25 order-receiving agencies.

3. DEVELOPMENT ORIENTATION

3.1 Strategic Plan until 2012

ACBS will continue to follow its development strategy to become the leading securities company in Vietnam by 2012 and one of the mainstays of ACB Financial Group.

3.2 Core Values

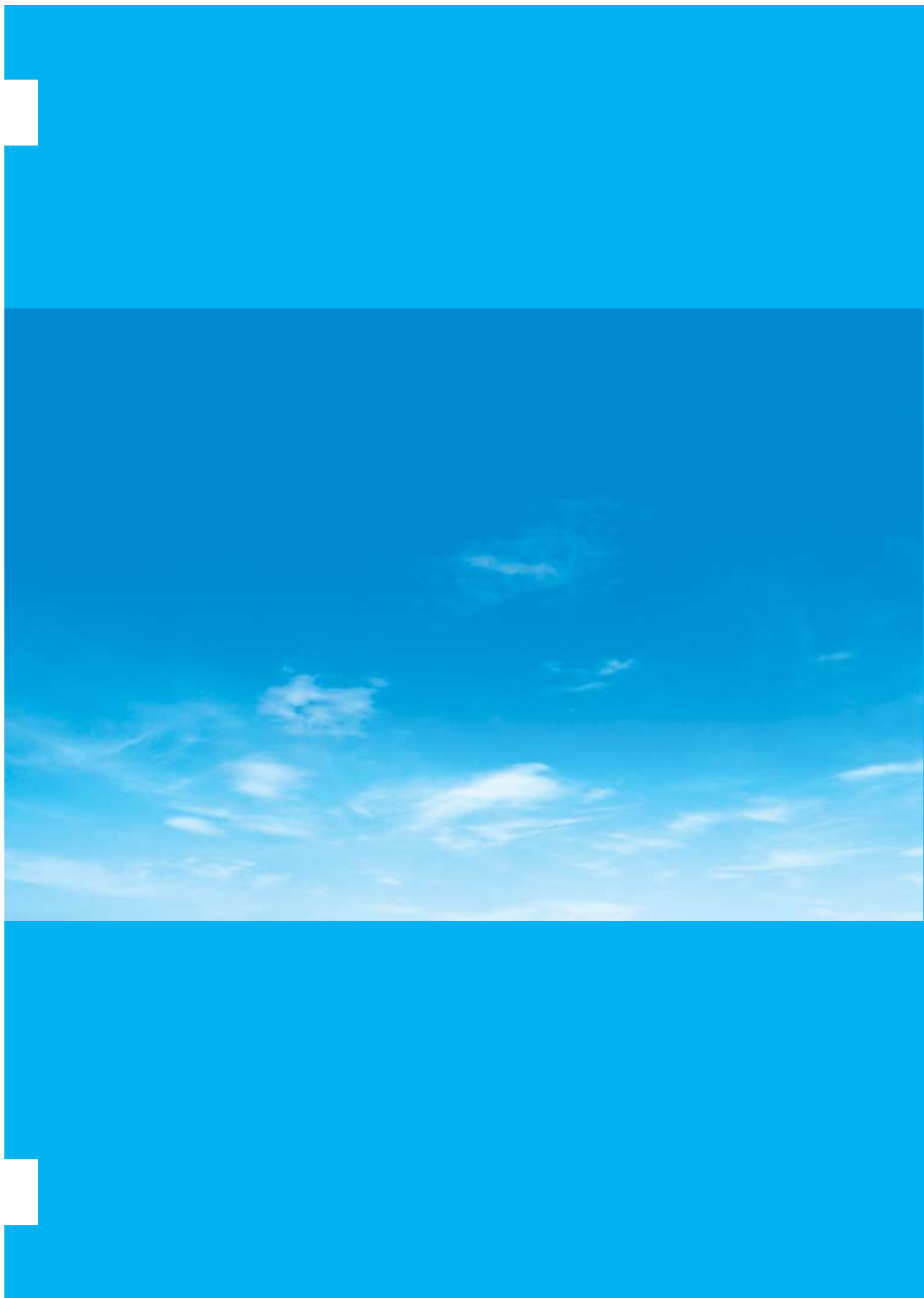
To achieve successfully its long-term strategy, ACBS has not only formulated a practical action plan with growth targets by 2012, but also promoted its brand along with the awareness of its Core Values in order to guide the behaviour of each individual in ACBS's community. These Core Values are:

SAFETY

PROFESSIONALISM

CONFIDENTIALITY

CREATIVITY



II. REPORT ON 2009 BUSINESS PERFORMANCE

1. FINANCIAL SITUATION REPORT

ACBS improved its financial capacity

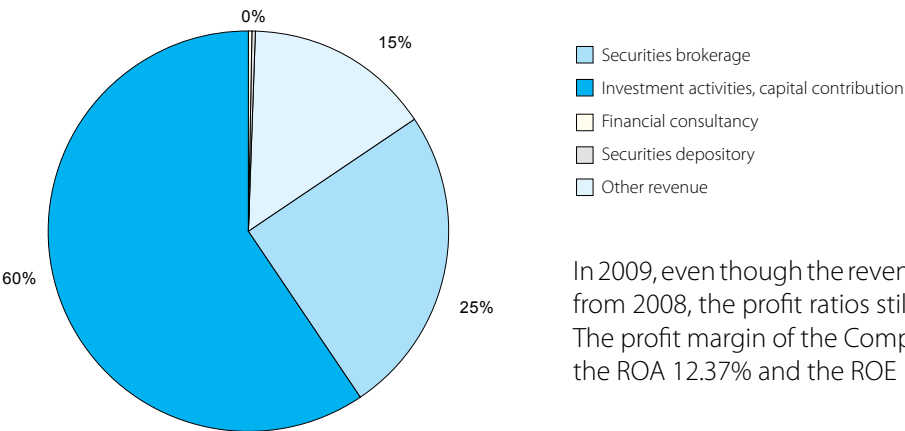
As one of the leading securities companies in Vietnam, ACBS's total assets reached VND 2,571 billion; its charter capital has been increased to VND 1,500 billion from VND 1,000 billion and as of the end of 2009, its owner's equity amounted to VND 1,901 billion (up by 73% compared to 2008).

	Unit	2009	2008	Increase/Decrease (in percentage)
Total assets	VND billion	2,571	2,966	-13.32
Owner's equity	VND billion	1,901	1,100	72.82
Revenue	VND billion	523	600	-12.83
Profit before tax	VND billion	346	266	30.08
Profit after tax	VND billion	318	237	34.18
Profit/Revenue ratio	%	60.80	39.50	
ROA	%	12.37	7.99	
ROE	%	16.73	21.55	

ACBS strongly affirmed its success in 2009, a year full of difficulties, and achieved good business performance.

2009 could be considered as a year of success for the securities companies with large capital, skills and consistency in their business plans. ACBS did affirm its success through a high profit growth. According to the audited figures, its revenue from securities business activities in 2009 reached VND 523 billion, in which the revenue from brokerage accounted for 25% while the revenue from investment activities resulted in a contribution of 60%. The profit after tax in 2009 amounted to VND 318 billion, up 34% in comparison with 2008.

2009 Revenue structure



In 2009, even though the revenue decreased by 13% from 2008, the profit ratios still surged significantly. The profit margin of the Company reached 60.80%, the ROA 12.37% and the ROE 16.73%.

2. ACHIEVEMENTS IN 2009 AND THE BUSINESS PLAN FOR 2010

2.1 Achievements in 2009

In 2009, ACBS continued to implement several major programs with the view to improve the quality of service to customers and strengthen its organizational structure and management system, as follows:

Service quality: ACBS continually strived to perfect its existing service and product portfolio in order to provide faster and more convenient services to investors; develop new products to diversify its offering and meet the increasing demand of customers; boost investment and advisory activities as well as to improve customer service for institutional clients; form and train a workforce of professional brokers and investment consultants.

Organizational structure: ACBS gradually adjusted and improved its organizational structure to better suit the business operations; ACBS has currently separated the order processing section from the customer service section and professional brokerage section in order to guarantee transparency and better customer service.

Network: ACBS continued to strongly develop its distribution channel network by establishing 12 order-receiving offices and 02 branches in the area of Ho Chi Minh City.

Personnel structure and management: ACBS has restructured its human resource apparatus, implemented a human resource planning system and minimized the surplus or the inefficient use of manpower.

Brand Equity: ACBS has strengthened its brand name on the market. In 2009, ACBS has been honourably awarded as one of the “**Top 15 Securities Companies**” administered by the Hanoi Stock Exchange in association with the Securities Investment Magazine. This award honours the best securities companies for the period of 2008-2009. ACBS has also received the “**2008 Best Known Brand in the Securities & Finance Industry**” award, based on a survey conducted by the Vietnamese Chamber of Commerce and Industry (VCCI), in association with Nielsen Vietnam.

2.2 Business plan for 2010

The business plan for 2010 of ACBS has been formulated based on the following orientations:

Financial Orientation:

In 2010, ACBS will strive to maintain and strengthen its financial capacity, targeting a pre-tax corporate profit of VND 400 billion via a number of specific financial activities and incentives as follows:

- Bond issuance to mobilize capital for the investment activities of ACBS;
- Building attractive salary and bonus schemes for the company's officers and employees;
- Applying a brokerage revenue based incentive plan that will motivate employees to develop stronger customer relationships and the brokerage market share of the company;
- Controlling strictly the incurred costs, curtailing them reasonably in order to guarantee the sustainability and efficiency of operations.

Business Development Orientation:

In 2010, ACBS will focus on the development of a number of key activities as follows:

- Boost strongly both the brokerage and investment advisory activities to achieve a brokerage market share of 8% by the end of 2010;
- Improve and develop new products or financial services with the purpose of offering our customers more facilities in securities trading and strengthening the competitiveness of ACBS on the market;
- Promote customer care activities, especially for institutional clients and clients who have a large transaction volume, according to the classification criteria of ACBS;
- Develop strongly the research & analysis activities and striving for high quality analysis products to build up our corporate prestige and support other activities.

Organizational Capacity Orientation:

In 2010, activities will focus on strengthening the organizational capacity with the continuation of the management system consolidation, the improvement of the customer service quality and the enhancement of ACBS's brand name and position on the market.

- Consolidate and improve the corporate management system according to a professional governance mechanism;
- Continue to improve the processes and systems; provide guidance and training on professional operations to enhance the service quality; increase the labour productivity and improve the risk management capacity;
- Improve the "Professional brokerage and investment advisory" model to strengthen the operational efficiency and, concomitantly, attract high-quality human resource;
- Upgrade the order-receiving Agencies to Transactional Offices in order to guarantee the compliance with the laws and regulations; continue to expand the distribution channel network in the major provinces/cities;
- Continue to improve the labour policies and conditions; apply a productivity management model with a salary structure based on abilities and job performance; provide motivation to officers and employees to work efficiently.



1. COMPANIES HOLDING MORE THAN 50% SHARE CAPITAL/CONTRIBUTED CAPITAL OF ACBS

Asia Commercial Joint-Stock Bank (ACB) owns 100% of ACBS's capital.

Operating situation and operations performance in 2009

Challenges from the business environment in 2009 have influenced to a certain extent the realization progress of the 2009 operational orientation of a "good management, rational profit, sustainable development" of the bank, especially regarding its growth target. Regarding risk management, the bad debt ratio of ACB at the end of 2009 accounted for merely 0.4%. Therefore, ACB continued to be the only bank among the leading joint stock commercial banks to have a bad debt ratio below 0.5%, confirming again its credit management quality. Besides, ACB's liquidity management has performed well. While several commercial banks have been severely impacted by the regulation of the State Bank of Vietnam with regards to lowering the source of short-term capital used in medium and long term lending concomitantly with the tightening of the calculation method, ACB has been able to keep this ratio low with a high safety margin in 2009, for the sixth consecutive year.

ACB could also maintain a high solvency ratio until the end of 2009, when this ratio reached approximately 12 times. Furthermore, as of the 31st of December 2009, its capital adequacy ratio was nearly 1.8% higher than required by the SBV, even though risks in the banking activities continued to increase.

Regarding size growth, even though total assets, total outstanding credit balance and customer deposits of ACB reached only 99%, 96% and 84% respectively of the set target, the growth rates of customer deposit mobilization and lending of ACB both were higher than the growth rate of the industry. In 2009, for the group, customer deposit mobilization rose 45%, equal to 1.6 times that of the industry (27%) and customer loan outstanding increased 79%, or twice that of the industry (38%).

Regarding the profit, ACB Group exceeded its plan by achieving a pre-tax profit of VND 2,838 billion, VND 138 billion higher than its plan while profitability ratios remained reasonable. In particular, the ROA of the bank continued to exceed 2% and ROE reached 31.8% (better than the long-term promise to shareholders of not lower ROE than 27%). The bank's profit structure has seen also an increasing diversification. As of the 31st of December 2009, credit activities accounted for 20%, service activities for 26% and capital, gold and foreign currencies trading activities covered 37% of the total pre-tax profit. In 2009, ACB Group contributed to the state budget VND 770 billion, up by VND 316 billion compared to 2008.

Regarding the bank's capital, ACB succeeded to increase its chartered capital by VND 1,458 billion in 2009, through the conversion of the convertible bonds and issuance of bonus shares. After the capital increase, ACB had a total of 781,413,755 outstanding shares in circulation and 100% were common stocks. At the end of December 2009, ACB had a charter capital of VND 7,814 billion, ranking as one of the top Vietnamese joint stock commercial banks.

Regarding the dividend payment, based on the encouraging business performance of the first half of 2009, ACB has paid in advance the first tranche of the 2009 dividend, amounting VND 900/share in cash while the second tranche of the 2009 dividend will be paid also in cash in quarter 1/2010, equal to VND 1,500/share.

Besides reaching its targets regarding management, growth and profit, ACB has also fulfilled a remarkable achievement in 2009 when becoming the first Vietnamese bank to ever receive six awards as the "Best Bank in Vietnam" from six international well-known magazines which are: Asiamoney, FinanceAsia, Euromoney, Global Finance, The Asset and The Banker. The Bank's deposits and lending market share also increased 2.49% and 0.84% respectively compared to the previous year.

In addition, the Bank also implemented its human resource restructuring program at its distribution channels, creating the premises to improve labor productivity and the accurate assessment of individual abilities while improving the meritorious and appropriate rewarding of the personnel. As a result, the number of staff across the Group decreased by nearly 3% as of the end of December 2009, mainly thanks to the work rationalization through job transfers, while the business scale of the Bank increased from 45% to 80% in terms of main business activities.

Plan and orientations for 2010

Moving forward in 2010, the Management of ACB considers that there are both difficulties but still plenty of opportunities. Opportunities would come from the recovery of the world economy in general (with the Asian region remaining the driving force) and the domestic economy in particular. The question is how to satisfy the requirements of the new economical context and continue to advance according to the path of the strategic target implementation. As for ACB, diversification of incomes continues to be the objective, along with: the adjustment of customer policies; the enhancement of credit growth in order to increase income from interest; the development of new products and especially reforming card activities to create the premises to grow market share and raise the source of income from services. In 2010, ACB Group targets to reach VND 3,600 billion in pre-tax profit; total assets of VND 210,000 billion; VND 170,000 billion of mobilization from public and economic organizations; VND 96,000 billion of outstanding loans and keep a bad debt ratio below 1%. Furthermore, ACB will continue to consolidate its organizational capacity through the implementation of compensation packages according to the productivity of each employee, the revision of training programs and the improvement of training and recruitment quality in order to ensure the employment of the right persons as well as their allocation to the right job with the aim to allow for each member of the organization to develop and use to the maximum his/her ability. Formulating a development strategy for the coming 5-10 years is one of the vital tasks that ACB must realize in 2010.

Business targets in 2010 have not been set too high with the view to be able to concentrate on being well prepared and create the prerequisite premises of a stronger growth in the future. Such premises rely within a commercial bank on a solid infrastructure; a highly qualified human resource and a streamlined organizational structure; the ability to meet new size and business needs along with the sensitivity in business performance and the skills to cope with any possible contingencies. The motto of ACB for 2010 is “organizational consolidation, adaptive business operations”.

2. COMPANIES WITH MORE THAN 50% SHARE CAPITAL/CONTRIBUTED CAPITAL HELD BY ACBS

As of the 31st of December 2009, ACBS owns 100% of ACB Capital Management Company (ACBC).

In 2009, ACBC completed the procedures to get the business license for its Growth Stock Investment Fund (ACB Growth Fund – ACBGF). Meanwhile, the firm conducted research, analysis and evaluation tasks on key industries or companies in order to satisfy the investment demand of the Fund as well as the Trust’s investment portfolio. In addition, the company also worked on introducing its products related to investment portfolio building and analysis, investment trust services, investment portfolio management etc., for the prospective customers.

In 2010, ACBC will plan the establishment of a Public Fund for the shareholders of ACB only, with the expected size of VND 300 billion. The fund will be closed in quarter 3-2010. In parallel, the company will focus on increasing the number of contracts related to investment portfolio building and analysis, investment trust services, investment portfolio management as well as enhance its co-operation with ACBS in developing collaborative products related to the corporate finance and M&A area.

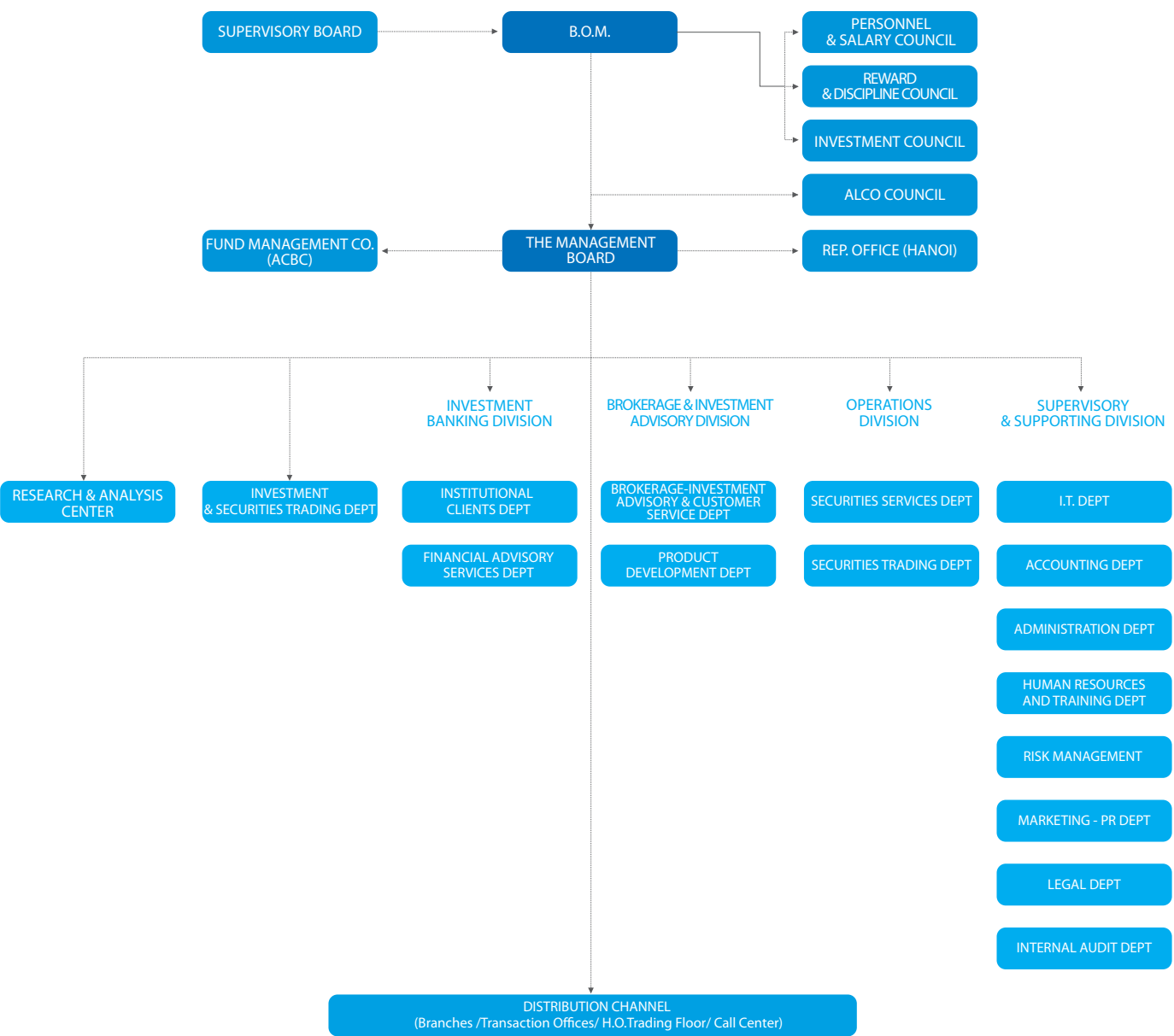


IV. ORGANIZATION AND PERSONNEL

1. ORGANIZATION

In 2009, ACBS carried out the improvement of the organizational model of its branch network in order to provide a more precise distinction between commercial and operational activities, facilitating the development of an active sales model. At the same time, ACBS also adjusted the functions, duties and the organizational structure of a number of operational departments at the Head Office for a better practical efficiency.

General Organizational Chart



2. BRIEF BACKGROUND OF THE MEMBERS OF THE MANAGEMENT



Mr. **NGUYEN NGOC CHUNG**
Acting President

Mr. Nguyen Ngoc chung has an experience of over 20 years in the Banking and Finance industry, including 16 years in executive positions in several leading banks in Vietnam. Mr. Nguyen Ngoc chung has held the position of Vice President of ACBS since 2005 and has been appointed as Acting President since September 2009.



Ms. **LE THI PHUONG DUNG**
Vice President

Ms. LeThi Phuong Dung holds a B.Sc in Economics from the University of Economics, a B.A. in English from the Ho Chi Minh City General University and has an experience of over 18 years in Banking and Finance. She has several years of managerial experience in holding key positions at ACB. Given such valuable experience and in-depth knowledge related to the operations of ACB’s system, Ms. Le Thi Phuong Dung is currently holding the post of Vice President of ACBS – in charge of Operations.



Mr. **NGUYEN TRUNG THANH**
Acting Vice President

Mr. Nguyen Trung Thanh graduated from the HCMC University of Economics and holds a M.Sc. in Economics. Mr. Nguyen Trung Thanh has an experience of over 10 years in Banking and Finance, including 5 years of experience in holding managerial positions in leading Vietnamese banks. Mr. Nguyen Trung Thanh is currently Acting Vice President – in charge of sales trading.

3. NUMBER OF OFFICERS AND EMPLOYEES

As of the 31st of December 2009, the total number of officers and employees of ACBS amounted to 188.

From the total number of employees, 139 employees are qualified for or have been granted with securities trading license and over 20 employees own floor broker certificates. In addition, ACBS has also attracted senior and middle management staff that has been educated abroad and have worked for major financial institutions in Vietnam.

4. POLICIES AND BENEFITS FOR EMPLOYEES

4.1 Training policy

ACBS continues to confirm that training and development of the human resource is one of its top duties. The training policy of ACBS aims at building and developing personnel able to show professionalism, proficiency, exemplarity, business ethics, professional work attitude and enthusiasm in serving customers.

Every officer or employee working at ACBS is trained to meet the standard of its job qualification and can benefit from the opportunities to receive training according to an individual development plan.

Accordingly, all employees across ACBS's network have the opportunity to attend professional training courses inside or outside the company, depending on each job requirement. The training expenses are covered by the company.

4.2 Compensation policy

The compensation policy of ACBS is linked to the business performance and the quality of service to customers.

According to the general regulation, ACBS has basic benefits such as base salary, 13th month salary, job achievement bonus, rewards for excellent units and individuals, bonuses for initiatives, bonuses for national holidays and ACB's anniversary.

4.3 Allowances, social insurance benefits

All regular employees of ACBS benefit from allowances, social insurance, health insurance and unemployment insurance in compliance with the Labour Law. In addition, depending on the position held, the employees of ACBS also benefit from other allowances such as the ones for the exchange floor representatives, etc.

4.4 Other benefits

In addition to the implementation of a social welfare policy that benefits the employees in accordance with the Labour Law, ACBS also offers supplementary periodical bonuses on the occasion of national holidays (Lunar New Year, 30th of April, etc.) and for the company's anniversary. The company offers a 24/7 accident insurance as well, annual general medical check-ups to all officers and employees, subsidy for the Health Club membership fee, daily meal subsidy, uniforms, motorbike helmets and paid vacation as well as favourable individual lending conditions.

5. CHANGES IN MEMBERS OF THE BOARD OF MEMBERS, BOARD OF MANAGEMENT AND SUPERVISORS

5.1 Board of Members

In 2009, some changes occurred among the members of the Board of Members as follows:
Mr. Le Vu Ky became Chairman of ACBS's Board of Members, replacing Mr. Kieu Huu Dung from the 31st of August 2009.
Mr. Nguyen Viet Hai resigned from ACBS's Board of Members with effect from the 1st of September 2009.

5.2 Board of Management and Supervisors

In 2009, ACBS proceeded with some changes among the Board of Management as follows:

Mr. Nguyen Huu Trung	Vice President	Resigned on 28/02/2009
Mrs. Le Thi Phuong Dung	Vice President	Appointed on 27/04/2009
Mr. Pham Quang Thanh	Vice President	Resigned on 01/08/2009
Mr. Nguyen Viet Hai	President	Resigned on 01/09/2009
Mr. Nguyen Ngoc chung	Acting President	Appointed on 01/09/2009
Mr. Nguyen Trung Thanh	Acting Vice President	Appointed on 22/10/2009

ACBS didn't execute any changes regarding the Supervisory Board and the Chief Accountant.



1. SECURITIES INVESTMENT AND TRADING ACTIVITIES

Securities investment and trading operations at ACBS comprise of building and managing high quality and diversified investment portfolios; trading of listed and unlisted stocks; bond trading (Fixed Income); investments in private equity; REPO activities; valuating and proposing opportunities for stock or bond underwritings; other investment activities.

In 2009, ACBS faced an eventful year with regards to the securities market. The company has focused its investment in industries with potential and initiated an appropriate investment portfolio with the total investment value of over VND 1,300 billion. In 2009, the actual total revenue from these investment activities and bond trading amounted to VND 371.23 billion, including:

	ITEMS	VALUE
1	Revenue from investment activities	VND 313.18 billion
2	Revenue from reversal of provisions	VND 22.35 billion
3	Revenue from Repo and Reverse-repo activities	VND 35.70 billion
	TOTAL	VND 371.23 billion

2. FINANCIAL ADVISORY AND UNDERWRITING

In 2009, the Securities Market experienced several complicated and unfavourable movements; however, the Financial Advisory activities of the company have been maintained in terms of quantity of executed contracts at the level of 2008. The postponement of listing plans, issuing or company conversions from our customers have significantly influenced the income from financial advisory activities.

The Financial Advisory Service Department of ACBS provides: corporate finance advisory services on privatization, business conversion, issuance advisory, listing advisory, financial restructuring, business take-overs and M&A advisory and other financial advisory services. ACBS also offers products and instruments for financial arrangements of M&A deals funding as well as manages financial advisory operations at branches.

3. BROKERAGE AND INVESTMENT ADVISORY ACTIVITIES

3.1 Brokerage and Investment Advisory Activities (local clients and foreign individuals)

The Brokerage and Investment Advisory activities at ACBS are being continuously improved and developed, mainly according to the following four key tasks: to implement an active sales policy; to develop a nationwide distribution channel; to formulate a customer management and care policy; to standardize products & services as well as diversify the product features having connection with investment brokerage and advisory activities.

In implementing correctly the orientation mentioned above, the departments having duties relevant to Brokerage & Investment Advisory Division have been strongly urged to fulfil efficiently their assigned functions and duties such as: recruiting additional investment brokers, consultants and business associates; applying regulations on the determination of business performance based incentive criteria for the investment brokers, advisors and business associates; completing the allocation of ACBS's customers to each branch for a proper management; assigning existing customers to each Investment Brokerage & Advisory staff or business associate in order to bring a better client care and support, which will also be the basis for the determination of the business performance of the Brokerage & Investment Advisory Division. The fee schedule applied to customers has been flexibly adapted to fit the market conditions or the trading volume of clients. Customers with large trading volume will benefit from fee incentives and a better customer care.

Plan and Orientation for 2010

Aiming to become one of the securities companies with the largest market share in Vietnam, the Investment Brokerage & Advisory products will play an important role in supporting the ACBS brand name in the eyes of individual investors. In order to achieve such a goal, the plan and orientation of the Brokerage & Investment Advisory Division for 2010 comprise the following main points:

- To develop a professional Brokerage & Investment Advisory team and business associates in order to perform active sales and improve the quality of services provided to customers. To continuously train and re-train the Brokerage & Investment Advisory team and business associates of ACBS on basic and advanced skills.
- To formulate the criteria to conduct a customer classification and design a customer care policy that will be applied to the whole network of ACBS.
- To periodically review the products and services; carry out research on comparative products of competitors in order to formulate standards, improve the products and bring products and services to the clients.
- To expand the distribution channel nationwide by opening new branches in all the key economic areas across the country.

3.2 Brokerage for Institutional Clients

The Institutional Clients department had a solid performance in 2009. By having quality execution, ethical & fair dealing, financial strength & stability, insightful market intelligence, strong block trading capability and good client service, ACBS managed to retain all Institutional Client accounts. Furthermore, the number of institutional accounts grew by 27.58% compared to 2008, with new clients from Hong Kong, Japan, Malaysia, Singapore and Vietnam. This is an outstanding achievement given the ever increasing competition.

ACBS also organized various corporate access events and trips for foreign investors in order to facilitate their investment decision making and investment management processes.

The plans are ambitious for 2010 as well. On the execution side, ACBS will launch a customized trading system for institutional clients, as well as work on automating the communication with the custody banks in order to be able to offer Direct Market Access. Our institutional trading team will go through further training to be able to offer the best execution on the market, as per ACBS's best execution policies.

Besides the objective to grow the number of new accounts by 40%, the institutional sales team will focus on developing further its block trading capabilities, increasing the deal flow as well as enlarging the network of clients that we do business with. We plan to double the number of corporate access events and investor trips in Vietnam in order to connect investors with Vietnamese corporations. We also aim to have various marketing & sales events and activities abroad, focusing on key Asian countries.

The increase in sales staff will ensure that ACBS will have the best institutional client coverage on the market, offering valuable investment opportunities and service to all its institutional business partners.

4. OPERATIONAL ACTIVITIES

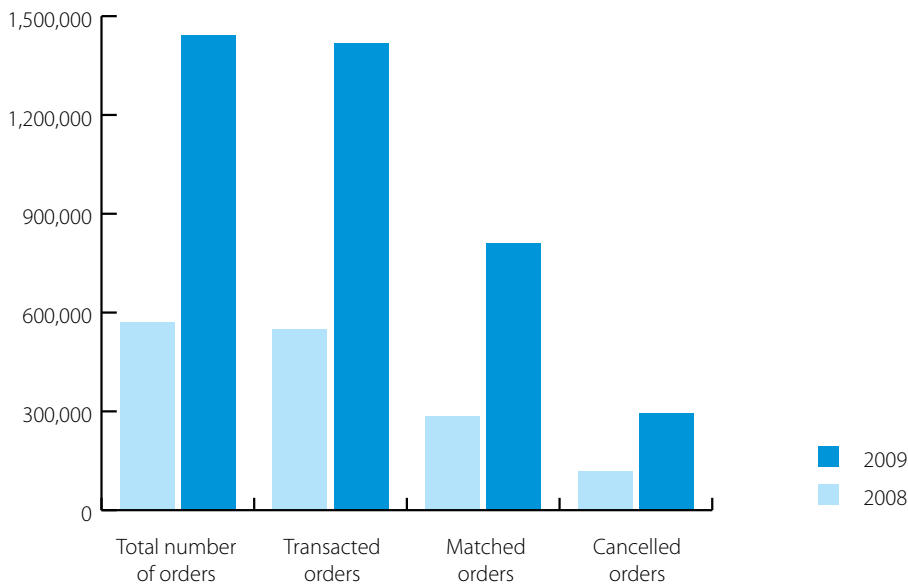
The target of the Operations Division in 2009 was mainly focused on improving the quality and applying the best automation rate regarding professional and risk management operations in securities brokerage and depository activities. The relevant processes were checked, procedures and forms were simplified to minimize the transaction time of customers while guaranteeing the strict compliance with the law and regulations of the industry.

Compared to 2008, the stock market has been more dynamic with the total number of orders inputted into ACBS's system increasing by 153%. Thanks to a stable online trading system and connection to the Ho Chi Minh Stock Exchange and a quick order processing, the surging quantity of customer orders at ACBS have always been transferred to the trading floor instantly, even during times when the market faced some sessions with sudden increase in volumes.

In order to guarantee the competitiveness of the order processing, the operational unit of the Securities Trading Department has worked in coordination with IT in order to carry out some research about the ways to increase and improve the services for the customers. For example, the ATC orders now can be inputted in the system at the opening session and then they queue to be transferred to the Ho Chi Minh Stock Exchange system at the opening of the third session.

The capacity to enter orders to the Hanoi Stock Exchange system has also been expanded due to the increased number of terminals as well as by increasing the number of floor brokers. After the switch to online trading with the Hanoi Stock Exchange, the Securities Trading Department has also worked in combination with other units to develop the trading on the newly established markets such as the Upcom or the trading of specific government bonds.

Graph comparing trading order processing figures between 2008 and 2009



At the distribution channels, the supervisory manpower has been increased in terms of both quantity and quality while the control of the executed orders during and after the trading session has also been increased together with the number of online transactions at the Ho Chi Minh Stock Exchange. Therefore, incurred errors during transactions have decreased significantly in 2009. The number of errors incurred in 2009 accounted for 0.0245% of the total number of placed orders, down by 51% compared to 2008, while the number of orders placed in the system in 2009 rose 83.03% in comparison with 2008.

Last year, depository activities complied strictly with the regulations of the Depository Center which strive to guarantee the quick processing of the dossiers submitted by the customers. The number of depository dossiers in 2009 increased by 26.11% compared to 2008, but this growth did not affect service quality. One highlight regarding depository activities in 2009 was the preparation of the Depository Center to follow up and manage the detailed balances of each investor instead of managing the aggregate balance of the securities company. ACBS has also upgraded its technology and techniques to ensure the compatibility and the successful connection to the system of the Depository Center. At the same time, some data have also been added and formatted to comply with regulations. Balances deposited in the system are periodically and strictly collated with those at the Depository Center. If some differences occur, they are all identified and timely consolidated. Thanks to an efficient implementation of the detailed balances management system, ACBS achieved a great recognition from the Depository Center, by being selected to introduce a new experimental program regarding securities depository.

The firm has all the procedures, regulations, guidance, software and operational instructions for securities service operations such as depository, pledging, auction, shareholders book management or bond issuance dossiers in order to ensure the ability to manage risks during operating processes. Along with the release of new materials, ACBS frequently reviews their suitability and adjusts timely or updates the processes and guidance with the aim of simplifying procedures while still guaranteeing an effective risk management. The tasks of reviewing, describing, adjusting, adding features to such software are being conducted actively in order to automate jobs, improve the quality of the professional skills and enable the management of risks during the operating process.

Risk management has always been one of the top targets regarding operational activities of the company. The confidentiality of the system login is guaranteed. Staff must change their password periodically; the system includes strict regulations in entering passwords, which strongly guarantees confidentiality. The confidentiality of usernames and passwords of each staff is considered as an internal regulation of the company and staff must undertake to comply strictly with this regulation. In the past year, ACBS employees were aware of safety when conducting operation and complied strictly with the regulations regarding the confidentiality of the clients' information as well as the system login process. In addition, the delegation of authority across the system has also been achieved and clearly defined for each job title, increasing as a result the manageability and controllability of each professional in operation.

Regarding the orientation for 2010, the Operations Division is focusing on implementing a number of tasks such as continuing to perfect the system and job instructions at ACBS; to promote training activities and administer professional exams; to improve the job description of each position; to implement a timekeeping system and calculate the productivity bonus for employees; to coordinate with other units in actively supporting the design of new products; to work in combination with IT to ensure in the future as well the stability and connectivity of the transactional links.

5. SUPERVISORY AND SUPPORTING ACTIVITIES

5.1 Human resource and training plan

Plan for additional recruitment: In 2010, ACBS will focus on arranging and allocating the personnel for the best utilization of the existing human resource. Needs of additional personnel will be met according to the following main orientations:

- Continue to recruit key officers and specialists as stated in the 2009 recruitment plan that has been approved but still unfulfilled.
- Concentrate on recruiting brokers and relationship associates for an active sales program;
- Realize the recruitment of additional personnel to suit the development plan of the distribution network as well as the operating plans of the different divisions of the company.

Training Plan:

In 2010, the training plan of ACBS will focus on the three following major programs:

- Training of middle-management officers in order to improve their managerial capacity;
- Training of the sales force to increase the qualified workforce in conformity with regulations;
- Training of professional employees: it will focus on the training of professional skills and re-training of employees across the network in order to achieve the objective of having any employee satisfying the skill standards as required by one's own current position.

5.2 Information Technology Activities

With the goal to improve the existing information technology system to efficiently serve the operations of ACBS as well as the demand of customers, the IT Department will focus on the following realizations for 2010:

- Separate the equipment still connected with ACB in order to operate an independent and separate system;
- Further upgrade and develop its servers and links to operate in a stable and sustainable way;
- Put into operation a connection with the Hanoi Stock Exchange in compliance with the regulations of this exchange, launch the Research website; renew the ACBS website; revamp the interface of the online trading platform while offering faster order processing to investors and online support;
- Collaborating with other departments in developing new products with the focus on e-products.

5.3 Plan regarding administrative management

- **Automation of the official correspondence tasks:** continue to develop an official correspondence database system through ACBS Lotus Application; enhance the Lotus system and exploit other functions of Lotus.
- **Management of fixed assets, tools and equipment:** carry out periodical inventory, service, and maintenance; coordinate efficiently with other departments and liquidate damaged assets; review suppliers and cost policy; purchase an asset insurance for the whole network.
- **Strict management of corporate costs:** carry out costs control activities and allocate accurately the costs to each business unit.

6. RESEARCH AND ANALYSIS ACTIVITIES

The Research and Analysis Center of ACBS is an independent unit, established for the purpose to provide to ACBS's customers as well as to the internal divisions objective analytical reports. Accordingly, the Research and Analysis Center undertook to comply with the highest standard of ethics, including the main norms below, in conducting analytical activities:

- To be cautious and truthful when preparing reports;
- To have independent analytical comments;
- To be impartial when distributing analytical products to customers and internal units.

In 2009, the Research and Analysis Center strengthened both its workforce and technology, as well as increased the quantity of its analytical products. In order to provide its customers with wider access to analytical products, ACBS will put into operation two main sources of information through the creation of the ACBS Research and Analysis Website and the ACBS Contribution Page on Bloomberg.

Currently, apart from the periodical reports and company or industry reports, the Research and Analysis Department also prepares analytical reports upon the request of its Institutional Clients.



1. THE BOARD OF MEMBERS OF ACBS

Comprises four members including one Chairman and three members

Mr. **LE VU KY**
Chairman

Mr. Le Vu Ky graduated from Moscow University, Russia with a PhD degree in mathematics and physics. Mr. Le Vu Ky has over 13 years of experience in fields of electronics, telecommunication, import/export and over 13 years in the field of Banking and Finance. At present Mr. Le Vu Ky is also a Vice Chairman of ACB’s Board of Directors.

Mr. **TRINH KIM QUANG**
Member

Mr. Trinh Kim Quang graduated from HCMC University of Economics with an M.Sc. in Economics. He has over 10 years of experience teaching at HCMC University of Economics and over 17 years holding key posts in Asia Commercial Joint Stock Bank and ACBS. Mr. Trinh Kim Quang is presently also a Vice Chairman of ACB’s Board of Directors.

Mr. **DO MINH TOAN**
Member

Mr. Do Minh Toan graduated from Columbia Southern University, USA with an MBA. He also owns a B.A. in Law (HCMC University of Law) B.Sc. in Economics (HCMC University of Economics) and a B.Sc. in Banking-Finance (HCMC University of Banking). Mr. Do Minh Toan possesses over 15 years of experience in the Banking and Finance field and has held key positions in Asia Commercial Joint Stock Bank. Mr. Do Minh Toan is presently also a Vice President of Asia Commercial Joint Stock Bank.

Mr. **TRAN HUNG HUY**
Member

Mr. Tran Hung Huy graduated from Chapman University, USA with an MBA and is a postgraduate for a Ph.D in Corporate Strategy at Golden Gate University, USA. Mr. Tran Hung Huy has several years of experience and at the same time holds key posts in ACB and ACB Securities Company. Mr. Tran Hung Huy is currently a member of the Board of Directors and Vice President of Asia Commercial Joint StockBank.

2. SUPERVISORY BOARD

The Supervisory Board of ACBS comprises of one member who is the Supervisor.

Mr. **NGUYEN VAN HOA**
Supervisor

Mr. Nguyen Van Hoa graduated from HCMC University of Banking with a B.Sc. in Economics and possesses 15 years of work-experience in the Banking and Finance field. At present Mr. Hoa is working as Chief Accountant of Asia Commercial Joint-Stock Bank.

3. ACTIVITIES OF THE BOARD OF MEMBERS

In 2009, the B.O.M conducted meetings in order to bring oneness of mind on the operating plan and the 2009 business target of the company; to adopt the modifications and additions regarding the company's charter or the change of the legal representative; to adopt the charter capital increase and the plan of an additional issuance of corporate bonds.

Meanwhile, the Board of Members also regularly attended weekly meetings with the Management in order to follow up the implementation and the progress of the business policies and to timely initiate directives and the operational orientation of the moment.

4. ACTIVITIES OF COUNCILS REPORTING TO THE BOARD OF MEMBERS

In 2009, the Council for Personnel & Salary gave consultancy to the Board of Members regarding the human resource restructuring; the appointments in key positions; the adjustments in matters of compensation policies and other matters related to the salary and rewards policies.

The ALCO Council also regularly supervised and analyzed the financial practices, and structure of the balance sheet. At the same time it conducted meetings to approve policies and limits in order to improve the profitability and reduce risks.

5. ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board of ACBS has the main duty to oversee the governing and managing activities of the members of the B.O.M. as well as members of the Management.

Under the direct guidance of the Supervisory Board, the Internal Audit Department effectively implemented a supervisory system allowing remote monitoring of the operational activities in order to ensure compliance and identify risks in a timely manner, simultaneously with a proposed solution.

6. ACTIVITIES TO IMPROVE THE OPERATING EFFICIENCY OF THE COMPANY

In 2009, ACBS continued to provide a monthly Company Law Newsletter to all employees and executives in order to disseminate and update with the latest information regarding policies, regulations and guidelines from the State Securities Commission, the State Bank and from all the competent management bodies for the purpose of proposing timely and appropriate management strategies.

7. OWNERSHIP RATIO OF CONTRIBUTED CAPITAL AND CHANGES IN HOLDING RATIO OF CONTRIBUTED CAPITAL

From the date of its writing to the date of the disclosure of the financial statement, no changes have been made by ACBS regarding the capital contribution ratio.

8. DATA REGARDING CAPITAL CONTRIBUTION MEMBERS

Local capital contribution members:
As of the 31st of December 2009, 100% of ACBS's capital has been contributed by Asia Commercial Joint Stock Bank (ACB).
Foreign capital contribution members:
As of the end of 2009, ACBS doesn't have any foreign capital contribution member.



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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Establishment and Operation Licence No.

The Establishment and Operation Licence No. 06/UBCK-GPHDKD dated 29 June 2000 and the subsequent amendment No. 271/UBCK-GP dated 4 November 2009 were issued by the State Securities Commission.

Business Registration Certificate No.

4104000006/GP-UB dated 30 June 2000 issued by the Department of Planning and Investment of Ho Chi Minh City.

Charter capital

Charter capital is VND1,500,000,000,000 pursuant to the amended Licence No. 271/UBCK-GP issued by the State Securities Commission dated 4 November 2009.

Board of Members

Mr Le Vu Ky	Chairman (appointed on 31 August 2009)
Mr Kieu Huu Dung	Chairman (resigned on 15 August 2009)
Mr Trinh Kim Quang	Member
Mr Do Minh Toan	Member
Mr Tran Hung Huy	Member
Mr Nguyen Viet Hai	Member (resigned on 1 September 2009)

Board of Directors

Mr Nguyen Ngoc Chung	Acting General Director (appointed on 1 September 2009)
Mr Nguyen Viet Hai	General Director (resigned on 1 September 2009)
Ms Le Thi Phuong Dung	Deputy General Director
Mr Pham Quang Thanh	Acting Deputy General Director (resigned on 1 August 2009)
Mr Nguyen Trung Thanh	Acting Deputy General Director (appointed on 22 October 2009)
Mr Nguyen Huu Trung	Acting Deputy General Director (resigned on 28 February 2009)

PRINCIPAL ACTIVITIES

The principal activities of the ACB Securities Company ("the Company") and its consolidated subsidiary (together, "the Group") are brokerage services; securities trading; investment portfolio management services; custodian services; consultancy services for stock investment; corporate finance consultancy services, underwriting and fund investment management.

Registered office	107N Truong Dinh Street, District 3, Ho Chi Minh City
Auditor	PricewaterhouseCoopers (Vietnam) Limited

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for preparation of consolidated financial statements which present fairly the financial position of the Group as at 31 December 2009 and its financial performance and cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Directors are responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 41 to 77 which present fairly the financial position of the Group as at 31 December 2009, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing regulations applicable to securities companies operating in SR Vietnam.

On behalf of the Board of Directors

Nguyen Ngoc Chung
Acting General Director

Ho Chi Minh City, SR Vietnam
9 March 2010

INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF ACB SECURITIES COMPANY



PricewaterhouseCoopers (Vietnam) Ltd.
4th Floor, Saigon Tower
29 Le Duan Street, District 1
Ho Chi Minh City, Vietnam
Telephone: (84-8) 3823 0796
Facsimile: (84-8) 3825 1947

We have audited the accompanying consolidated financial statements of ACB Securities Company ("the Company") and its subsidiary (together, "the Group"), which were approved by the Board of Directors on 9 March 2010. The consolidated financial statements comprise the balance sheet as at 31 December 2009, the consolidated income statement and consolidated cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 41 to 77.

Board of Directors' Responsibility for the Consolidated Financial Statements

Board of Directors of the Company is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting system and prevailing regulations applicable to securities companies operating in SR Vietnam. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes

INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF ACB SECURITIES COMPANY (Continued)

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2009, and its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing regulations applicable to securities companies operating in SR Vietnam.



Ian S. Lydall
AC No. N.0559/KTV
General Director

Le Van Hoa
AC No. 0248/KTV

PricewaterhouseCoopers (Vietnam) Limited
Ho Chi Minh City, SR Vietnam
Audit report number HCM2424
10 March 2010

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated financial statements are not intended to present the financial position and financial performance and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

Form B 01 – CTCK

Code	ASSETS	Note	2009 Million VND	2008 Million VND Reclassified
100	CURRENT ASSETS		1,777,421	1,490,932
110	Cash and cash equivalents	3	999,328	1,075,917
111	Cash		100,968	770,917
112	Cash equivalents		898,360	305,000
120	Short-term investments	4(a)	638,874	226,429
121	Short-term investments		739,126	370,031
129	Provision for diminution in value of short-term investments		(100,252)	(143,602)
130	Accounts receivable		138,297	187,262
132	Prepayments to suppliers		2,096	66
133	Intercompany receivables		-	104
135	Receivable for securities transactions	5	36,373	171,800
138	Other receivables	6	100,068	15,532
139	Provision for doubtful debts		(240)	(240)
150	Other current assets		922	1,324
151	Short-term prepayments	7	829	964
158	Other current assets		93	360
200	LONG-TERM ASSETS		793,402	1,474,952
210	Long-term receivables	8	105,782	429,544
218	Other long-term receivables		105,782	429,544
220	Fixed assets		72,875	77,379
221	Tangible fixed assets	9(a)	72,493	77,273
222	Cost		91,204	87,491
223	Accumulated depreciation		(18,711)	(10,218)
227	Intangible fixed assets	9(b)	382	106
228	Cost		505	129
229	Accumulated amortisation		(123)	(23)

CONSOLIDATED BALANCE SHEET **AS AT 31 DECEMBER 2009** (continued)

Form B 01 – CTCK

Code	ASSETS	Note	2009 Million VND	2008 Million VND Reclassified
250	Long-term investments	4(b)	595,378	953,592
253	Long-term investments in securities			
254	Available-for-sale investments		109,551	-
258	Other long-term investments		506,827	953,592
259	Provision for diminution in value of long-term investments		(21,000)	-
260	Other long-term assets		19,367	14,437
261	Long-term prepayments	10	5,547	7,206
262	Deferred income tax assets	11	5,250	-
263	Deposit in the Settlement Supporting Fund		6,334	4,214
268	Other long-term assets	12	2,236	3,017
270	TOTAL ASSETS		2,570,823	2,965,884

The notes on pages 47 to 77 are an integral part of these consolidated financial statements.

Code	RESOURCES	Note	2009 Million VND	2008 Million VND Reclassified
300	LIABILITIES		670,107	1,865,770
310	Current liabilities		669,900	1,365,495
311	Short-term borrowing	13(a)	500,000	-
312	Trade accounts payable	14	96	170,628
313	Advances from customers		-	60
314	Taxes and other payables to the State Budget	15	33,648	28,765
315	Payables to employees		6,443	6,500
316	Accrued expenses	16	43,131	41,096
320	Payables for securities transactions		81,935	412,876
321	Dividends payable and bond principals and interest payables		2,592	906
328	Other payables	17	2,055	704,664
330	Long-term liabilities		207	500,275
334	Long-term borrowings	13(b)	-	500,000
336	Provision for severance allowances		207	275
400	OWNER'S EQUITY		1,900,716	1,100,114
410	Capital and reserves	18	1,900,716	1,100,114
411	Owner's capital		1,500,000	1,000,000
417	Investment and development funds		50,727	34,869
418	Financial reserve funds		71,406	55,491
420	Undistributed earnings		278,583	9,754
440	TOTAL RESOURCES		2,570,823	2,965,884



Hua Chi Hung
Chief Accountant



Nguyen Ngoc Chung
Acting General Director
9 March 2010

The notes on pages 47 to 77 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

Form B 02 – CTCK

Code	Note	2009 Million VND	2008 Million VND Reclassified
1 Revenue		522,711	600,829
In which:			
1.1 On securities brokerage services		128,400	239,013
1.2 On securities trading and investments in other entities	19	313,184	292,681
1.3 On securities underwriting services		-	1,420
1.5 On investment consultancy services		2,194	4,022
1.6 On securities custody services		2,510	1,002
1.9 Other operating incomes	20	76,423	62,691
2 Less deductions		(173)	(783)
10 Net operating revenue	21	522,538	600,046
11 Operating expenses		(125,746)	(289,178)
20 Gross operating profit		396,792	310,868
25 General and administrative expenses	22	(50,929)	(45,046)
30 Net operating profit		345,863	265,822
31 Other income	23	286	330
32 Other expenses		(396)	(257)
40 Net other (expenses)/income		(110)	73
50 Net accounting profit before tax		345,753	265,895
51 Business income tax – current	24	(32,695)	(29,124)
52 Business income tax – deferred	24	5,250	-
60 Net profit after tax		318,308	236,771



Hua Chi Hung
Chief Accountant



Nguyen Ngoc Chung
Acting General Director
9 March 2010

The notes on pages 47 to 77 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009 (Indirect method)

Form B 03 – CTCK

Code	Note	2009 Million VND	2008 Million VND Reclassified
I CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	345,753	265,895
	Adjustments for:		
02	Depreciation and amortisation	9,405	7,183
03	Provisions	(22,350)	140,916
04	Losses on disposal of fixed assets	34	26
05	Profits from investing activities	(278,683)	(119,442)
	Income from “reverse repo” contracts	(35,699)	(42,147)
06	Interest expenses	43,880	36,405
08	Operating profit before changes in working capital	62,340	288,836
09	Decrease/(increase) in receivables	354,079	(85,394)
10	Decrease in inventories	-	406
	Increase in trading securities	(369,095)	(58,591)
11	Decrease in payables	(662,210)	(105,519)
12	Decrease/(increase) in prepaid expenses	1,794	(6,674)
13	Interest paid	(44,000)	-
14	Business income tax paid	(26,740)	(66,457)
15	Other receipts from operating activities	1,347	-
16	Other payments on operating activities	(299)	(111)
20	Net cash flows from operating activities	(682,819)	(33,504)
II CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(62,866)	(15,493)
22	Proceeds from disposals of fixed assets and other long-term assets	251	139
25	Investments in other entities	(183,394)	(757,556)
	Long-term deposits at bank	50,000	-
26	Proceeds from disposal of investments in other entities	772,642	470,648
27	Dividends and interest received	131,107	124,196
30	Net cash flows from investing activities	607,740	(178,066)

CONSOLIDATED CASH FLOW STATEMENT **FOR THE YEAR ENDED 31 DECEMBER 2009** (continued) **(Indirect method)**

Form B 03 – CTCK

Code	Note	2009 Million VND	2008 Million VND Reclassified
III CASH FLOWS FROM FINANCING ACTIVITIES			
31 Capital contribution		500,000	500,000
33 Proceeds from issuance of bonds		-	500,000
36 Dividend paid		(501,510)	-
40 Net cash flows from financing activities		(1,510)	1,000,000
50 Net (decrease)/increase in cash and cash equivalents		(76,589)	788,430
60 Cash and cash equivalents at beginning of year	3	1,075,917	287,487
70 Cash and cash equivalents at end of year	3	999,328	1,075,917



Hua Chi Hung
 Chief Accountant



Nguyen Ngoc Chung
 Acting General Director
 9 March 2010

The notes on pages 47 to 77 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Form B 09 – CTCK

1. GENERAL INFORMATION

ACB Securities Company ("the Company") was established in SR Vietnam pursuant to Establishment and Operation Licence No. 06/GPHDKD dated 29 June 2000 and the subsequent amendment No. 271/UBCK-GP dated 4 November 2009 were issued by the State Securities Commission. The Company's Business registration certificate number is 4104000006/GP-UB which was issued by the Department of Planning and Investment of Ho Chi Minh City on 30 June 2000. The Company is a 100% subsidiary of Asia Commercial Joint Stock Bank.

As at 31 December 2009, the Company had one subsidiary - ACB Capital Management Company ("ACBC"), which was established pursuant to Licence No. 41/UBCK-GP dated 28 October 2008, as a fund investment management company. ACBC is a 100% subsidiary of ACB Securities Company.

As at 31 December 2009, the Group had 203 employees (2008: 260 employees).

2. ACCOUNTING SYSTEM AND ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing regulations applicable for securities companies operating in SR Vietnam. The consolidated financial statements have been prepared under the historical cost convention.

The accompanying consolidated financial statements are not intended to present the financial position and financial performance and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam. The accounting principles and practices utilised in SR Vietnam may differ from those generally accepted in countries and jurisdictions other than SR Vietnam.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

Form B 09 – CTCK

2.3 Currency

The consolidated financial statements are measured in Vietnamese dong and presented using millions of Vietnamese dong.

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are translated at the rates of exchange ruling at the consolidated balance sheet date. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

2.4 Form of records applied

The Company uses the general journal form to record its transactions.

2.5 Consolidation

Subsidiaries

Subsidiaries are those companies over which the Group has the power to govern the financial and operating policies. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equities instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of the minority interest. The excess of cost of acquisition over the fair value of the Group's share of identifiable assets acquired is recorded as Goodwill. Goodwill is recognised in expenses (if it is of small value) and otherwise amortised in a uniform manner during its estimated useful life (if it is of big value). The useful life of goodwill should be properly estimated as with the time during which sources embodying economic benefits are recovered by the Group. Such useful life is not beyond 10 years from the date of recognition. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company balances, transactions and unrealised gains on transactions between those companies and the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, deposits for proceeds collected from underwriting activities, deposits for clearing settlement and other short-term investments with an original maturity of three months or less.

2.7 Investments

(a) Short-term investments

Short-term investments in securities

Short-term investments in securities are securities held for trading and are acquired principally for the purpose of selling in the short-term or if so designated by the Board of Directors.

Short-term investments in securities are initially recorded at cost of acquisition. Subsequently, they are measured at cost less provision. Provision is made for securities eligible for being freely traded in the market and when there is a diminution in value of these securities.

Gains or losses from disposal of securities are recorded at net in the consolidated income statement. Cost of securities disposed is determined by using the weighted average method.

(b) Long-term investments

Available-for-sale securities

Available-for-sale securities are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidation or changes in interest rates, exchange rates or equity prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

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Available-for-sale securities are initially stated at cost of acquisition. Subsequently, they are measured at cost less provision. Provision is made for available-for-sale securities eligible for being freely traded in the market and where there is a diminution in value of these securities.

Gains or losses from disposal of available-for-sale securities are recorded at net in the consolidated income statement. The costs of available-for-sale securities disposed is determined by using the weighted average method.

Held-to-maturity securities

Held-to-maturity securities are debt securities with fixed or determinable payment and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Held-to-maturity debt securities are initially stated at cost of acquisition. Subsequently, they are measured at cost less provision. Provision is required when there is evidence of a long-term decline in the value of the securities or where the Group cannot recover its investments.

Post-acquisition interest income of held-to-maturity debt securities is recognised in the consolidated income statement on an accruals basis. Pre-acquisition interest income of held-to-maturity debt securities is deducted against the cost of acquisition.

Other long-term investments

Other long-term investments comprise shareholding of less than 20% in companies, of which the Group is a founding shareholder, or strategic investor, or in which the Group has ability to influence the company's operational and financial policies through its participation in that company's Board of Directors or Management. These investments are initially stated at cost of acquisition. Provision is made when investee companies are loss making (except for investee companies where their losses were anticipated in their initial business plan).

Other long-term investments also include long-term deposits at banks.

2.8 Sale and repurchase agreements

Securities sold subject to repurchase agreements (“repo”) are not deducted from assets in the consolidated balance sheet. Proceeds received from repo transactions are recorded as liabilities in the consolidated balance sheet. Differences between selling and repurchasing price is treated as deferred expenses and amortised to the consolidated income statement over the life of the agreement using straight-line method.

Securities purchased and under agreement to resell (“reverse repo”) are not recognised in the consolidated balance sheet. Cash paid for the “reverse repo” transactions are recorded as an assets in the consolidated balance sheet, as appropriate. Differences between purchasing and reselling price is treated as deferred income and amortised to the consolidated income statement over the life of the agreement using straight-line method.

2.9 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation

Fixed assets are depreciated using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Buildings	25 years
Office equipments	3 – 5 years
Motor vehicles	6 years
Management equipments	3 years
Other tangible fixed assets	3 – 4 years
Computer software	3 years

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

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2.10 Borrowing costs

Borrowings are directly attributable to the working capital of the Group. Borrowing costs are recognised in the consolidated income statement when incurred.

2.11 Revenue recognition

Revenue on services to investors

Revenue on services to investors consists of securities brokerage fees, securities underwriting fees and investment consultancy fees, which are based on agreements with investors. These fees are recognised on an accruals basis.

Income on securities trading and investments in other entities

Income on securities investments and investments in other entities consists of income on proprietary trading activities and dividend income.

Income on proprietary trading activities is measured as difference between selling price and costs of securities sold.

Dividend income is recognised in the consolidated income statement when the Group's right to receive dividend is established.

Income on capital activities

Income on capital activities consists of interest income from deposits at banks, income from advances to investors. Income is recognised on an accruals basis.

2.12 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.13 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.14 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

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2.15 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Group are entitled to a severance allowance based on their years of service. This will be paid as a lump sum when the employee leaves the Group. Up to 31 December 2008, provision for severance allowance is made at 2% of the total basic salary for the year in accordance with Circular 82/2003/TT - BTC dated 14 August 2003 issued by the Ministry of Finance.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Group is required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment scheme, the Group is no longer required to provide for the service period after 1 January 2009. However, severance allowance to be paid to existing employees as of 31 December 2009 will be determined based on the employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the employment termination date.

3. CASH AND CASH EQUIVALENTS

	31.12.2009 Million VND	31.12.2008 Million VND
Cash on hand	8	66
Cash at bank	23,632	325,433
Deposits for clearing settlement	77,328	445,418
Cash equivalents	898,360	305,000
	999,328	1,075,917

4. SECURITIES INVESTMENTS

	31.12.2009				
	Book value Million VND	Compared to market value Increase Million VND	Decrease Million VND	Market value Million VND	Provision Million VND
(a) Short-term investments	739,126	112,578	(100,252)	751,452	(100,252)
- Listed equity securities (*)	628,768	6,882	(98,069)	537,581	(98,069)
- Unlisted equity securities (**)	110,358	105,696	(2,183)	213,871	(2,183)
(b) Long-term investments	616,378	66,231	(21,000)	661,609	(21,000)
- Available-for-sale securities					
+ Listed equity securities (*)	105,329	58,209	-	163,538	-
+ Unlisted equity investment (***)	4,222	8,022	-	12,244	-
- Other long-term investments	506,827	-	(21,000)	485,827	(21,000)
	1,355,504	178,809	(121,252)	1,413,061	(121,252)

(*) Market value of equity securities listed on the HASTC is based on the average prices of the last official trading date of the year at the HASTC.

Market value of equity securities listed on the HOSE is based on the close prices of the last official trading date of the year at the HOSE.

(**) The market of unlisted equity securities is based on the average of trading prices of these securities provided by Rong Viet Securities Company, Sacombank Securities Company, and Dong A Securities Company.

(***) The market value of long-term investments in unlisted securities is determined by using valuation techniques.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

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31.12.2008					
	Book value Million VND	Compared to market value Increase Million VND	Giảm Million VND	Market value Million VND	Provision Million VND
(a) Short-term investments	370,031	419	(143,602)	226,848	(143,602)
- Listed equity securities	299,469	419	(128,447)	171,441	(128,447)
- Unlisted equity securities	29,300	-	(15,155)	14,145	(15,155)
- Bonds	41,262	-	-	41,262	-
(b) Long-term investments	953,592	-	-	953,592	-
- Available-for-sale securities	-	-	-	-	-
- Other long-term investments	953,592	-	-	953,592	-
	1,323,623	419	(143,602)	1,180,440	(143,602)

5. TRADE ACCOUNTS RECEIVABLE

	31.12.2009 Million VND	31.12.2008 Million VND Reclassified
Receivables from disposal of long-term investments	34,924	-
Brokerage fees receivable from Parent Bank (Note 25(b))	-	168,941
Brokerage fees receivable from other customers	1,449	2,859
	36,373	171,800

6. OTHER RECEIVABLES

	31.12.2009 Million VND	31.12.2008 Million VND
Receivable from short-term "reverse repo" contracts (*)	84,917	14,072
Accrued interest receivables from short-term "reverse repo" contracts	12,988	121
Other receivables	2,163	1,339
	100,068	15,532

(*) Cash paid to customers for reverse repo contracts which will be matured within one year. Average interest rate applied to these contracts was 1.04%/month. These contracts will expire in 2010.

7. OTHER CURRENT ASSETS

	31.12.2009 Million VND	31.12.2008 Million VND
Advances	53	348
Short-term deposits	40	12
	93	360

8. LONG-TERM RECEIVABLES

	31.12.2009 Million VND	31.12.2008 Million VND
Receivable from long-term "reverse repo" contracts (*)	79,415	371,385
Accrued interest receivables from long-term "reverse repo" contracts	26,367	58,159
	105,782	429,544

(*) Cash paid to customers for reverse repo contracts which will be matured in more than one year. Interest rate applied for these contracts were 0.9%/month. These contracts will expire in 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (Continued)

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9. FIXED ASSETS

(a) Tangible fixed assets

	Buildings Million VND	Office equipments Million VND	Motor vehicles Million VND	Management equipments Million VND	Other tangible fixed assets Million VND	Total Million VND
Historical cost						
At 1 January 2009	62,671	17,166	5,988	148	1,518	87,491
New purchases	2,174	4,349	-	219	298	7,040
Reclassification	(2,006)	(167)	-	-	(57)	(2,230)
Disposals	-	(974)	-	-	(123)	(1,097)
At 31 December 2009	62,839	20,374	5,988	367	1,636	91,204
Accumulated depreciation						
At 1 January 2009	1,388	6,740	1,731	32	327	10,218
Charge for the year	2,416	5,401	941	56	491	9,305
Disposals	-	(771)	-	-	(41)	(812)
At 31 December 2009	3,804	11,370	2,672	88	777	18,711
Net book value						
At 1 January 2009	61,283	10,426	4,257	116	1,191	77,273
At 31 December 2009	59,035	9,004	3,316	279	859	72,493

Historical costs of tangible fixed assets fully depreciated and still in use VND 1,039 million (2008: VND184 million).

(b) Intangible fixed assets

		Computer software Million VND
Historical cost		
At 1 January 2009		129
New purchases		376
At 31 December 2009		505
Accumulated amortisation		
At 1 January 2009		23
Charge for the year		100
At 31 December 2009		123
Net book value		
At 1 January 2009		106
At 31 December 2009		382

10. LONG-TERM PREPAYMENTS

	31.12.2009 Million VND	31.12.2008 Million VND
At 1 January	7,206	172
Additions	2,416	9,286
Amortisation for the year	(4,075)	(2,252)
At 31 December	5,547	7,206

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (Continued)

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11. DEFERRED INCOME TAX ASSET

	31.12.2009 Million VND	31.12.2008 Million VND
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Deferred income tax asset recognised on deductible temporary differences

5,250

-

The deferred income tax asset arises from the provision for decline in value of unlisted equity securities.

12. OTHER LONG TERM ASSETS

	31.12.2009 Million VND	31.12.2008 Million VND
--	---------------------------	---------------------------

Long-term mortgages deposits

1,370

2,151

Others

866

866

2,236

3,017

13. BORROWINGS

(a) Short term borrowing

	31.12.2009 Million VND	31.12.2008 Million VND
--	---------------------------	---------------------------

Bond issuance

500,000

-

(b) Long term borrowing

	31.12.2009 Million VND	31.12.2008 Million VND
Bond issuance	-	500,000

On 5 March 2008, Company issued 5,000,000 (five millions) bonds at nominal value of VND100,000 per bond and with coupon rates at 8.8% per annum. Maturity dates of these bonds are 2 years from the issue date, expiry in March 2010, and were issued by a local credit institution.

14. TRADE ACCOUNTS PAYABLE

	31.12.2009 Million VND	31.12.2008 Million VND
Payable for purchases of certificates of deposits	-	170,601
Trade accounts payables	96	27
	96	170,628

15. TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	31.12.2009 Million VND	31.12.2008 Million VND
VAT on domestic sales	54	40
Business income tax – current	32,363	26,408
Personal income tax	566	-
Other taxes	665	2,317
	33,648	28,765

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (Continued)

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16. ACCRUED EXPENSES

	31.12.2009 Million VND	31.12.2008 Million VND
Accrued interest expenses on bonds	36,285	36,405
Fee payables to Securities Stock Exchanges	1,463	3,626
Agency commission fee payables to Parent Bank (Note 25(b))	3,650	968
Others	1,733	97
	43,131	41,096

17. OTHER PAYABLES

	31.12.2009 Million VND	31.12.2008 Million VND
Social insurance, health insurance, union fee	59	6
Deferred income	244	18
Payable for capital advance from Parent Bank (Note 25(b))	-	100,000
Dividends payable to Parent Bank (Note 25(b))	-	483,804
Payable for purchases of fixed assets from Parent Bank (Note 25(b))	-	55,450
Other payables to Parent Bank (Note 25(b))	-	30,064
Other payables	1,752	35,322
	2,055	704,664

18. MOVEMENTS IN OWNER'S EQUITY

Currency: Million VND

	Owner's capital	Undistributed earnings	Financial reserve funds	Investment and development funds	Total
At 1 January 2008	500,000	155	43,770	23,037	566,962
Increase in owner's capital	500,000	-	-	-	500,000
Consolidated net profit for the year	-	236,771	-	-	236,771
Appropriation to reserves	-	(23,664)	11,832	11,832	-
Utilisation of reserves	-	-	(111)	-	(111)
Profit transferred to Parent Bank	-	(203,508)	-	-	(203,508)
At 31 December 2008	1,000,000	9,754	55,491	34,869	1,100,114
Increase in owner's capital	500,000	-	-	-	500,000
Consolidated net profit for the year	-	318,308	-	-	318,308
Appropriation to reserves	-	(31,773)	15,915	15,858	-
Profit transferred to Parent Bank	-	(17,706)	-	-	(17,706)
At 31 December 2009	1,500,000	278,583	71,406	50,727	1,900,716

Profit distribution

All net profit after business income tax is transferred to Parent Bank after Board of Members approved and after appropriation to investment and development funds and financial reserve funds according to Company's charter and prevailing regulations in Vietnam.

Investment and development funds and financial reserve funds

In accordance with the Circular 11/2000/TT-BTC dated 1 February 2000, the Company is required to set up the following funds:

Investment and development funds: 5% net profit after business income tax each year and is allocated annually until the reserve balance reaches 10% of the current capital.

Financial reserve funds: 5% net profit after business income tax each year and is allocated annually until the reserve balance reaches 10% of the current capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (Continued)

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19. REVENUE FROM INVESTING ACTIVITY

	2009 Million VND	2008 Million VND Reclassified
Gain on trading short-term investments	32,164	169,925
Gain on disposal of available-for-sale investments	126,630	-
Gain on disposal of other long term investments	75,403	-
Dividend income	76,650	121,762
Interest income from investments in bonds	2,337	994
	313,184	292,681

20. OTHER OPERATING INCOMES

	2009 Million VND	2008 Million VND Reclassified
Interest income from term deposits at banks	33,233	13,791
Interest income from demand deposits at banks	5,425	4,653
Income from "reverse repo" contracts	35,699	42,147
Others	2,066	2,100
	76,423	62,691

21. OPERATING EXPENSES

	2009 Million VND	2008 Million VND
Brokerage fees	34,480	17,114
Securities trading expenses	37,937	63,563
Consultancy fees	157	110
Custody expenses	2,011	1,041
Reversal/additional charge of provisions	(22,349)	140,916
Interest expenses on bonds	43,880	36,405
Staff costs	15,870	18,521
Depreciation and amortisation	3,850	3,106
Other direct securities trading expenses	9,910	8,402
	125,746	289,178

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2009 Million VND	2008 Million VND
Depreciation and amortisation	5,555	4,077
Staff cost	21,108	16,229
Materials, stationery	755	1,569
Tools	395	433
Tax and other related fees	122	38
Expenses for outside services rendered	16,488	16,820
Other expenses	6,506	5,880
	50,929	45,046

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (Continued)

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23, NET OTHER INCOME/(EXPENSES)

	2009 Million VND	2008 Million VND
Other income		
Others	286	330
Other expenses		
Loss on disposal of fixed assets	34	26
Others	362	231
	396	257
Net other (expenses)/income	(110)	73

24. TAXATION

	2009 Million VND	2008 Million VND
Business income tax – current	32,695	29,124
Deferred income tax – deferred	(5,250)	-
	27,445	29,124

The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities.

	2009 Million VND	2008 Million VND
Net accounting profit before tax	345,753	265,895
Tax (at regulated tax rates)	69,220	53,193
Adjustment:		
Tax on income not subject to tax	(15,330)	(24,377)
Tax on expenses not deductible for tax purposes	76	308
Impact of change in tax rates	(1,050)	-
Favourable tax treatment on income	(17,450)	-
Over-provision in previous year	(8,021)	-
Business income tax charge (*)	27,445	29,124

(*) The Company and its subsidiary's tax returns are subject to periodic examination and possible adjustment by the Tax Authority.

The tax assessments for the year 2008 and 2009 have not yet been finalised by the Tax Authority.

25. RELATED PARTY TRANSACTIONS

The Company is controlled by Asia Commercial Joint Stock Bank which owns 100% of the Company's charter capital.

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (Continued)

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i) Sales of goods and services

	2009 Million VND	2008 Million VND
Parent Bank		
Income from brokerage activities	522	172,848
Income from trading securities (*)	13,986	3,264,518
Interest income on deposits at banks	31,573	15,023
Other income	2,511	1,364
Other related parties	-	2,594
	48,594	3,455,983

(*) Represent the receipt from disposing securities to Parent Bank at costs.

ii) Purchases of goods and services

	2009 Million VND	2008 Million VND
Agency commission fee paid to Parent Bank	17,394	-
Fee paid to fellow subsidiaries	2,118	216
Fee paid to other related parties	-	2,889
	19,512	3,105

iii) Sales of fixed assets

	2009 Million VND	2008 Million VND
Sales of fixed assets to Parent Bank	224	173

iv) Compensation of key management

	2009 Million VND	2009 Million VND
Gross salaries and other benefits	3,977	4,126

v) Financing activities

	2009 Million VND	2008 Million VND
Profit transferred to Parent Bank	17,706	203,508
Capital contribution from Parent Bank	500,000	500,000
Capital advance from Parent Bank	500,000	3,194,000
Repayment of capital advance to Parent Bank	(600,000)	(3,094,000)
	417,706	803,508

vi) Entrusted securities investment activities

	2009 Million VND	2008 Million VND
Entrusted investments received from Parent Bank	-	11,562
Entrusted investments given to Parent Bank	1,236	56,547
	1,236	68,109

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (Continued)

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(b) Year end balances with related parties

	31.12.2009 Million VND	31.12.2008 Million VND
Cash and cash equivalents (Note 3)		
Deposits at Parent Bank	816,030	1,072,405
Entrusted securities investments		
Entrusted investments managed by Parent Bank	146,999	152,018
Receivables for securities transactions (Note 5)		
Parent Bank	-	168,941
Payable expenses (Note 16)		
Agency commission fee payable to Parent Bank	3,650	968
Other payables (Note 17)		
Payable for capital advance from Parent Bank	-	100,000
Dividends payable to Parent Bank	-	483,804
Payable for purchases of fixed assets from Parent Bank	-	55,450
Other payables to Parent Bank	-	30,064
	-	669,318

26. COMMITMENTS UNDER OPERATING LEASES

The Group is leasing the office building under operating lease contracts. As at 31 December 2009, the future minimum lease payments under non-cancellable operating leases are as follows:


	2009 Million VND	2008 Million VND
Within one year	6,051	9,652
Between one and five years	16,826	27,576
Over five years	5,903	16,235
	28,780	53,463

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. The consolidated financial statements were approved by the Board of Directors on 9 March 2010.



Hua Chi Hung
Chief Accountant



Nguyen Ngoc Chung
Acting General Director
9 March 2010

APPENDIX I

BALANCE SHEET AS AT 31 DECEMBER 2009

Code	ASSETS	2009 Million VND	2008 Million VND (Reclassified)
100	CURRENT ASSETS	1,775,879	1,439,561
110	Cash and cash equivalents	997,786	1,024,546
111	Cash	99,426	719,546
112	Cash equivalents	898,360	305,000
120	Short-term investments	638,874	226,429
121	Short-term investments	739,126	370,031
129	Provision for diminution in value of short-term investments	(100,252)	(143,602)
130	Accounts receivable	138,297	187,262
132	Prepayments to suppliers	2,096	66
133	Intercompany receivables	-	104
135	Receivables for securities transactions	36,373	171,800
138	Other receivables	100,068	15,532
139	Provision for doubtful debts	(240)	(240)
150	Other current assets	922	1,324
151	Short-term prepayments	829	964
158	Other current assets	93	360
200	LONG-TERM ASSETS	793,113	1,524,952
210	Long-term receivables	105,782	429,544
218	Other long-term receivables	105,782	429,544
220	Fixed assets	72,857	77,379
221	Tangible fixed assets	72,475	77,273
222	Cost	91,179	87,491
223	Accumulated depreciation	(18,704)	(10,218)
227	Intangible fixed assets	382	106
228	Cost	505	129
229	Accumulated amortisation	(123)	(23)

Code	ASSETS	2009 Million VND	2008 Million VND (Reclassified)
250	Long-term investments	595,378	1,003,592
251	Investments in subsidiaries	50,000	50,000
253	Long-term investments in securities		
254	Available-for-sale investments	109,551	-
258	Other long-term investments	456,827	953,592
259	Provision for decline long-term investments	(21,000)	-
260	Other long-term assets	19,096	14,437
261	Long-term prepayments	5,547	7,206
262	Deferred income tax assets	5,250	-
263	Deposit in the Settlement Supporting Fund	6,334	4,214
268	Other long-term assets	1,965	3,017
270	TOTAL ASSETS	2,568,992	2,964,513

APPENDIX I

BALANCE SHEET AS AT 31 DECEMBER 2009 (Continued)

Code	RESOURCES	2009 Million VND	2008 Million VND (Reclassified)
300	LIABILITIES	669,558	1,864,524
310	Current liabilities	669,367	1,364,249
311	Short-term borrowings	500,000	-
312	Trade accounts payable	90	170,616
313	Advances from customers	-	60
314	Taxes and other payables to the State Budget	33,414	28,716
315	Payables to employees	6,150	6,021
316	Accrued expenses	43,131	41,096
318	Payables for securities transactions	81,935	412,876
321	Dividends payable and bond principals and interest payables	2,592	906
328	Other payables	2,055	703,958
330	Long-term liabilities	191	500,275
334	Long-term borrowings	-	500,000
336	Provision for severance allowances	191	275
400	OWNER'S EQUITY	1,899,434	1,099,989
410	Capital and reserves	1,899,434	1,099,989
411	Owner's capital	1,500,000	1,000,000
417	Investment and development funds	50,727	34,869
418	Financial reserve funds	71,349	55,491
420	Undistributed earnings	277,358	9,629
440	TOTAL RESOURCES	2,568,992	2,964,513



Hua Chi Hung
Chief Accountant



Nguyen Ngoc Chung
Acting General Director
9 March 2010

APPENDIX II

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

Code	2009 Million VND	2008 Million VND (Reclassified)
1 Revenue	516,651	599,133
In which:		
1.1 On securities brokerage services	128,400	239,013
1.2 On securities trading and investments in other entities	313,184	290,985
1.3 On securities underwriting services	-	1,420
1.5 On investment consultancy services	2,194	4,022
1.6 On securities custody services	2,510	1,002
1.9 Other operation incomes	70,363	62,691
2 Less deductions	(173)	(783)
10 Net operating revenue	516,478	598,350
11 Operating expenses	(125,746)	(289,178)
20 Gross operating profit	390,732	309,172
25 General and administrative expenses	(46,199)	(43,524)
30 Net operating profit	344,533	265,648
31 Other incomes	231	330
32 Other expenses	(396)	(257)
40 Net other (expenses)/income	(165)	73
50 Net accounting profit before tax	344,368	265,721
51 Business income tax – current	(32,467)	(29,075)
52 Business income tax – deferred	5,250	-
60 Net profit after tax	317,151	236,646



Hua Chi Hung
Chief Accountant



Nguyen Ngoc Chung
Acting General Director
9 March 2010

APPENDIX III

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

(Indirect method)

Code	2009 Million VND	2008 Million VND (Reclassified)
I CASH FLOWS FROM OPERATING ACTIVITIES		
01 Net profit before tax	344,368	265,721
Adjustments for:		
02 Depreciation and amortisation	9,398	7,183
03 Provisions	(22,350)	140,916
04 Losses on disposal of fixed assets	34	26
05 Profits from investing activities	(278,683)	(119,442)
Income from "reverse repo" contracts	(35,699)	(42,147)
06 Interest expenses	43,880	36,405
08 Operating profit before changes in working capital	60,948	288,662
09 Decrease/(increase) in receivables	354,079	(85,394)
10 Decrease in inventories	-	406
Increase in trading securities	(369,095)	(58,591)
11 Decrease in payables	(661,369)	(106,716)
12 Decrease/(increase) in prepaid expenses	1,794	(6,674)
13 Interest paid	(44,000)	-
14 Business income tax paid	(26,691)	(66,457)
15 Other receipts from operating activities	1,347	-
16 Other payments on operating activities	(28)	(111)
20 Net cash flows from operating activities	(683,015)	(33,875)
II CASH FLOWS FROM INVESTING ACTIVITIES		
21 Purchases of fixed assets and other long-term assets	(62,841)	(15,493)
22 Proceeds from disposals of fixed assets and other long-term assets	251	139
25 Investments in other entities	(183,394)	(807,556)
26 Proceeds from disposal of investments in other entities	771,785	470,648
27 Dividends and interest received	131,107	124,196
30 Net cash flows from investing activities	657,765	(228,066)

Code	2009 Million VND	2008 Million VND (Reclassified)
III CASH FLOWS FROM FINANCING ACTIVITIES		
31 Capital contribution	500,000	500,000
33 Proceeds from issuance of bonds	-	500,000
36 Dividend paid	(501,510)	-
40 Net cash flows from financing activities	(1,510)	1,000,000
50 Net (decrease)/increase in cash and cash equivalents	(26,760)	737,059
60 Cash and cash equivalents at beginning of year	1,024,546	287,487
70 Cash and cash equivalents at end of year	997,786	1,024,546



Hua Chi Hung
Chief Accountant



Nguyen Ngoc Chung
Acting General Director
9 March 2010



Head Office of ACBS

107N Truong Dinh, Ward 6, District 3, HCMC

Tel : (08) 54.043.054

Fax: (08) 54.043.085

1. Le Ngo Cat Branch

9 Le Ngo Cat, Ward 7, District 3, HCMC

Tel: (08) 39.302.428

Fax: (08) 39.330.427

2. Thi Nghe Branch

2bis Nguyen Thi Minh Khai, District 1, HCMC

Tel: (08) 54.046.636

Fax: (08) 54.046.648

3. Sai Gon Branch

30 Mac Dinh Chi, Da Kao Ward, District 1, HCMC

Tel: (08) 39.107.383

Fax: (08) 39.107.382

4. Tan Binh Branch

29 Ly Thuong Kiet, Ward 7, Tan Binh District, HCMC

Tel: (08) 39.717.067

Fax: (08) 39.717.081

5. Nguyen Cong Tru Branch

74 – 76 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, HCMC

Tel: (08) 54.043.740

Fax: (08) 54.043.744

6. Cho Lon Branch

747 Hong Bang, District 6, HCMC

Tel: (08) 39.695.548

Fax: (08) 39.695.543

7. Da Nang Branch

211 Tran Phu, Phuoc Ninh Ward, Hai Chau District, Da Nang City

Tel: (0511) 3.843.447

Fax: (0511) 3.843.445

8. Hai Phong Branch

15 Hoang Dieu, Hong Bang District, Hai Phong City

Tel: (031) 3.569.998

Fax: (031) 3.569.989

9. Ha Noi Branch

95-97 Tran Quoc Toan, Hoan Kiem District, Ha Noi City

Tel: (04) 39.429.395

Fax: (04) 39.429.407

10. Phan Chu Trinh Branch

57B Phan Chu Trinh, Hoan Kiem District, Ha Noi City

Tel: (04) 39.334.780

Fax: (04) 39.334.785

11. Vung Tau Branch

467-469 Nguyen An Ninh, Ward 9, Vung Tau City, Ba Ria Vung Tau Province

Tel: (064) 3.597.104

Fax: (064) 3.597.101

12. Can Tho Branch

17-19 Nam Ky Khoi Nghia, Tân An Ward, Can Tho City

Tel: (0710) 3.824.510

Fax: (0710) 3.825.628

13. Khanh Hoa Branch

80 Quang Trung, Loc Tho, Nha Trang, Khanh Hoa

Tel: (058) 3.525.999

Fax: (058) 3.528.188

14. Quang Ninh Branch

747-749 Le Thanh Tong, Bach Dang, Ha Long, Quang Ninh

Tel: (033) 3.818.808

Fax: (033) 3.818.881

15. Khanh Hoi Transaction Office

130 Khanh Hoi, Ward 6, District 4, HCMC

Tel: (08) 54.011.224

Fax: (08) 54.011.219

VIII. NETWORK OF BRANCHES AND TRANSACTION OFFICES

16. Phan Dinh Phung Transaction Office 164-166 Phan Dinh Phung, Phu Nhuan District, HCMC	Tel: (08) 39.956.470 Fax: (08) 39.956.468
17. Binh Hoa 2 Transaction Office 256 No Trang Long, Ward 12, Binh Thanh District, HCMC	Tel: (08) 62.978.612 Fax: (08) 62.978.613
18. Phu Tho Transaction Office 455 To Hien Thanh, District 10, HCMC	Tel: (08) 38.638.467 Fax: (08) 38.636.240
19. Go Vap Transaction Office 626A Quang Trung, Go Vap District, HCMC	Tel: (08) 35.891.677 Fax: (08) 38.959.701
20. Phu Lam Transaction Office 391A Kinh Duong Vuong, Ward 12, District 6, HCMC	Tel: (08) 37.516.100 Fax: (08) 38.779.814
21. Chau Van Liem Transaction Office 130 -132 Chau Van Liem, Ward 11, District 5, HCMC	Tel: (08) 39.508.450 Fax: (08) 39.508.452
22. Cong Hoa Transaction Office 463 - 465 Cong Hoa, Ward 15, Tan Binh District, HCMC	Tel: (08) 38.105.518 Fax: (08) 38.130.763
23. Le Dai Hanh Transaction Office 331 Le Dai Hanh, Ward 13, District 11, HCMC	Tel: (08) 39.626.986 Fax: (08) 39.626.987
24. Van Hanh Transaction Office 439 Su Van Hanh (ext.), Ward 12, District 10, HCMC	Tel: (08) 38.623.470 Fax: (08) 38.682.403
25. Tran Khai Nguyen Transaction Office 134 Nguyen Tri Phuong, Ward 09, District 5, HCMC	Tel: (08) 38.339.123 Fax: (08) 38.339.122
26. Ky Hoa Transaction Office 109 3/2, Ward 11, District 10, HCMC	Tel: (08) 38.398.358 Fax: (08) 38.337.118
27. Nguyen Van Troi Transaction Office 23-25 Nguyen Van Troi, Phu Nhuan District, HCMC	Tel: (08) 38.458.479 Fax: (08) 38.443.279
28. Nguyen Thi Minh Khai Transaction Office 442 Nguyen Thi Minh Khai, Ward 05, District 3, HCMC	Tel: (08) 38.344.527 Fax: (08) 38.343.981
29. Le Van Sy Transaction Office 318 Le Van Sy, Ward 01, Tan Binh District, HCMC	Tel: (08) 39.916.498 Fax: (08) 39.916.712
30. Le Hong Phong (Vung Tau) Transaction Office 328 Le Hong Phong, Ward 03, Vung Tau City, Ba Ria Vung Tau Province	Tel: (064) 3.543.234 Fax: (064) 3.533.284