

2010 ANNUAL REPORT



**ACBS**  
ACB SECURITIES

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**MESSAGE  
FROM THE CHAIRMAN**



HISTORY  
OF ACB  
SECURITIES  
COMPANY

AUDITED  
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MESSAGE  
FROM  
THE  
CHAIRMAN

INFORMATION  
OF CAPITAL  
CONTRIBUTION  
AND CORPORATE  
GOVERNANCE

RELATED  
COMPANIES

## MESSAGE

### FROM THE CHAIRMAN

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“Facing the challenges and troubles of the securities market in 2011, with the support of our clients and our great efforts, ACBS is determined to achieve its business objectives for 2011.”

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**Ladies and gentlemen,**

In 2010, the financial market in general and the securities market in particular faced a lot of difficulties in Viet Nam. For the whole year, the total market transaction value amounted to VND 620,000 billion, or VND 2,480 billion / trading day, equalling that of 2009. At the end of 2010, the VN-Index declined 2.04% in total, ending the year at 484.66 while the HNX-Index dropped to 114.24 points, down by 32.07% compared to 2009.

2010 marked the 10th year since the establishment of ACB Securities (ACBS). During its stage of emergence and development, ACBS took consistent steps in developing its technological platform, capital and human resources, reinforcing its position as a market leader. These achievements were obtained with the support of customers and competent government management, as well as with the guidance from Asia Commercial Bank and the tireless efforts of all the staff of the company.

2011 will also be a year full of challenges and uncertainties for the Vietnamese securities market. Fiscal austerity policy will have negative impacts on securities investments and capital mobilization. The competition among leading securities firms will be very intense in terms of product diversification, quality improvement, development of a highly qualified human resource and modernization of the IT systems. ACBS will remain flexible in the achievement of its business plan to counter the challenges and troubles on the marketplace, as well as enhance its competitiveness to reinforce our leading position.

Facing the challenges and troubles of the securities market in 2011, with the support of our clients and our great efforts, ACBS is determined to achieve its business objectives for 2011.

*With best regards,*

A handwritten signature in blue ink, appearing to read 'Le Vu Ky', with a large, stylized flourish extending from the end.

CHAIRMAN

**LE VU KY**

# **HISTORY OF ACB SECURITIES COMPANY**



# HISTORY OF

## ACB SECURITIES COMPANY

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### 1. Establishment

ACB Securities Ltd. Co. (ACBS) is one of the first players of the Vietnamese stock market, owned by Asia Commercial Bank (ACB). Founded in June 2000, ACBS has been improving its financial capacity, operation network and quality of services so as to achieve a prestigious position in the market.

### 2. Development History

#### 2.1. Business domains:

ACBS has been licensed by the State Securities Commission since June 2000 to provide the full range of securities services that comply with the law and regulations:

- Securities Brokerage
- Securities Custody Services
- Proprietary Trading
- Securities Issuance Underwriting
- Securities Investment Advisory
- Portfolio Management

However, Portfolio Management services have been cancelled by The State Securities Commission since September 2008.

Additionally, ACBS provides other Corporate Finance Advisory services to meet the diverse demand of businesses:

- Advisory on Mergers and Acquisitions (M&A)
- Advisory on Securities Issuance
- Advisory on Securities Listing
- Advisory on Securities Issuance Underwriting
- Advisory on registration for the trading of unlisted public companies (Upcom)
- Advisory on Enterprise Equitization
- Advisory on and implementing the auction of securities
- Advisory on General Shareholder Meeting organization
- Advisory on Business Ownership Conversion (From limited liability companies and foreign invested companies to joint-stock companies)
- Advisory on Corporate Finance Restructuring

#### 2.2. Capital Growth:

From an initial charter capital of VND 43 billion at the time of establishment, ACBS had a regular capital growth as follows:

- September 2005: VND 100 billion
- May 2006: VND 250 billion
- September 2007: VND 500 billion
- January 2008: VND 1,000 billion
- November 2009 to present: VND 1,500 billion

### 2.3. Human Resource Growth:

The human workforce of ACBS has grown by 63% in 2010 compared to 2009, the distribution network accounting for 83% and the Headquarter 17%. As of the end of 2010, ACBS employed a total number of 307 staff.

### 2.4. Network expansion

Despite the difficult market condition, ACBS has kept expanding its network so as to provide the best quality of service to investors. In 2010, ACBS rearranged its distribution network to convert the order-receiving agencies into transaction offices in order to comply with the legislation and its intuitive business strategy.

*The company's network growth history:*

- 2001: Head Office and one branch
- 2006: Head Office, one branch, one transaction office and 02 order-receiving agencies
- 2007: Head Office, one representative office, 06 branches, one transaction office and 14 order-receiving agencies
- 2009: Head Office, one representative office, 08 branches, 25 order-receiving agencies
- 2010: One trading floor at the Head Office, 14 branches and 16 transaction offices

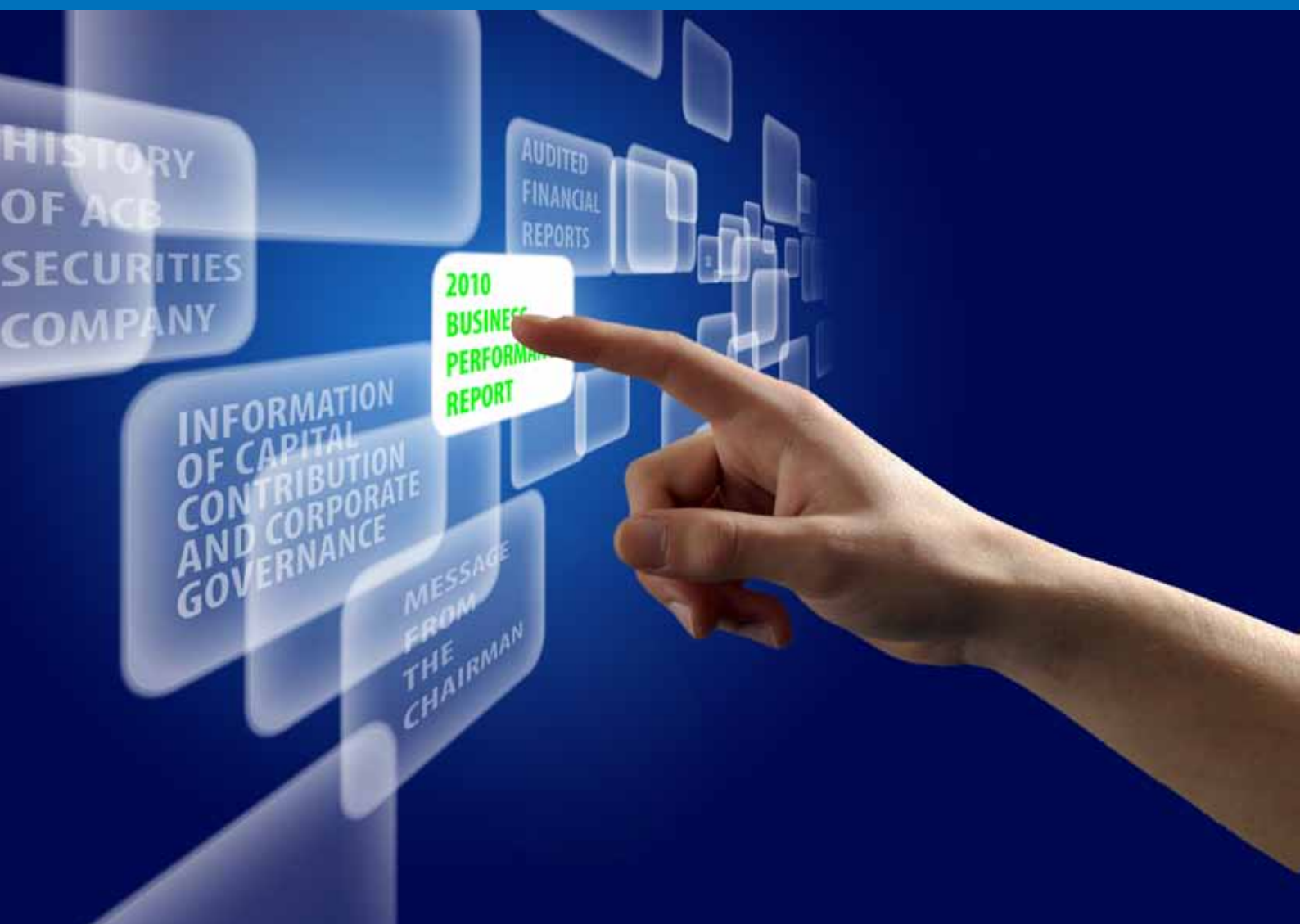
## 3. Development strategy to 2015

ACBS has kept following its development strategy to become the number one securities company in Vietnam by 2015 and one of the pillars of ACB Financial Group.

To successfully achieve its long term strategy, ACBS has not only initiated a specific action plan with growth targets by 2012, but is continuously enhancing the positioning of its brand name as well as the awareness of its Core Business Values to lead the behaviour of every single individual in the company towards the same direction. These Core Values of ACBS are:

**SAFETY**  
**PROFESSIONALISM**  
**CONFIDENTIALITY**  
**CREATIVITY**

# **2010 BUSINESS PERFORMANCE REPORT**



## 2010 BUSINESS PERFORMANCE REPORT

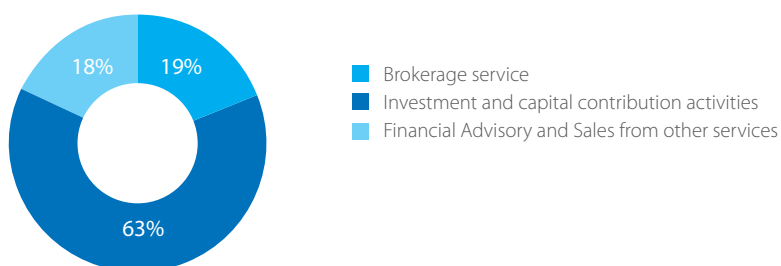
### 1. Financial report

As of the end of 2010, the total assets of ACBS amounted to VND 4,359 billion, a strong growth of 70% compared to that of 2007; besides, the total equity amounted to VND 1,627 billion and the chartered capital to VND 1,500 billion:

	Unit	2010	2009	Variation
Total Assets	VND billion	<b>4,359</b>	2,571	69,54%
Owners' Equity	VND billion	<b>1,627</b>	1,901	-14,5%
Revenue	VND billion	<b>503</b>	523	-3,8%
Earnings before tax	VND billion	<b>25</b>	346	-92,77%
Earnings after tax	VND billion	<b>23</b>	318	-92,77%

Despite the difficulties of the financial market in 2010, ACBS could maintain a positive business performance.

The revenue from securities business activities in 2010 totalled VND 503 billion, of which total revenue from brokerage accounted for 19%, revenue from investment and capital contribution activities accounted for 63%, and the remaining of 18% coming from business consultancy and other services.



### 2. Achievements in 2010 and business plan for 2011

#### 2.1. Achievements in 2010

2010 has been a year full of challenges for the securities market in Vietnam. Among the 105 companies in this industry, 20 posted losses. ACBS, however, achieved good business results with total operating revenue of VND 503 billion and profit after tax of nearly VND 23 billion. This is the result of a strong financial capacity and a flexible business strategy.

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In 2010, ACBS continued to enhance the quality of its services to meet the demand and requirements of its clients via various customer care activities. These activities have helped ACBS to maintain its market share in brokerage services and improve its competitiveness among the other players on the market.

The brokerage market share of ACBS in securities and fund certificates on the Ho Chi Minh Stock Exchange accounted for 4.21% and 2.97% in Hanoi; the number of customers' trading accounts opened at ACBS accounted for 5% of that of the total market. Moreover, ACBS has always striven to control and maintain a safe transaction system, manage the risks strictly and protect clients' money and stocks effectively. Also, the quality of research and analysis reports has improved substantially.

ACBS has strengthened its brand name on the market. It has been honoured in 2010 with the "Prestigious Brand on the Securities Market" award, given by the Vietnamese Securities Business Association and other financial organizations.

## **2.2 Business plan for 2011**

According to various market forecasts, the company's business plan for 2011 has been formulated based on the following orientations:

### **Financial orientation:**

The financial objectives for 2011 are capital restructuring, improvement of the financial capacity, formulate an effective assets structure plan in order to maximise the business performance in accordance with the market movement.

ACBS intends to invest adequately in technology development and product innovation, develop the IT system on a safe and sustainable manner and encourage employees via a reasonable compensation policy. Moreover, the cost management will focus on enhancing the operational efficiency and the performance of the distribution network will also be revised.

### **Business development orientations:**

In 2011, ACBS will focus on the following main targets:

- Better Securities Brokerage and Investment Advisory services to achieve a 5% market share by the end of 2011.
- Increase the competitiveness of ACBS on the market by enhanced and innovative new financial products and services, in order to provide the clients with a continuously improving quality of transaction.
- Concentrate on the quality of customer service, especially for the Institutional Clients and clients with high value of transactions, in accordance with the classification criteria of ACBS.
- Focus on Research and Analysis activities to produce high quality analysis reports in accordance with the requirements and movements of the market.
- Restructure its investment portfolio effectively. Boost bond investment brokerage and investment cooperation.

### **Organisational Capability Orientation:**

In 2011, ACBS will continue to consolidate its management system, enhance the quality of customer

## 2010 BUSINESS PERFORMANCE REPORT

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service and improve the brand name and the brand positioning of ACBS on the market.

- Consolidate and improve the corporate management system based on a professional governance mechanism;
- Continue to enhance the processing system and operational guidance for better service quality, increase the labour productivity and improve the risk management capacity;
- Complete the “Professional Brokerage and Investment Advisory” model to enhance the operational efficiency and attract highly qualified human resources.

### 3. Customers’ feedbacks on ACBS

“I am very pleased to work with ACBS, I am happy to say their process and the value of service have exceeded my expectations, Their industry knowledge and domain expertise are uniquely suited to understand the corporate clients’ needs and ensure the highest probability of success for clients,”

Mr. **Eric K. M. Ong** – CEO of Rossano Joint Stock Company

“We would like to express our sincere gratitude to the company and their dedicated consultants. The consultants from ACBS really listen and understand our needs. Furthermore, with their domain expertise, they were able to recommend us appropriate and effective approaches to raise capital. As a result, we look forward to a long term relationship with ACBS”

**Representative of Fisheries no. 4 JSC**

“Last year the Vietnamese stock market went through many turbulences and challenges. In this situation, ACBS operated with flexibility. The products, especially financial ones, were diversified. The quality of customer service also improved; for example, the brokers of ACBS were committed to regular customer care. Others included rebates, holiday gifts and customer conferences. In general, ACBS is a reputable brand in the financial industry and I am very pleased to trade here.”

Ms. **Nguyen Thi Xuan Trang** – a customer at Le Ngo Cat Branch

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"Compared to the previous years, ACBS offered innovative changes with more flexibility in their products and services as well as customer care. My feedback to ACBS was always taken into account with care. In short, I am very pleased with the service quality at Le Ngo Cat Branch and its brokers"

Mr. **Duong Khai Trung** – a customer at Le Ngo Cat Branch

"ACBS is a reputable brand where I feel content to trade. The atmosphere at the trading floor of ACBS Le Ngo Cat is always exciting and interesting to customers."

Mr. **Nguyen Duc Thin** – a customer at Le Ngo Cat Branch

## **RELATED COMPANIES**



### 1. Companies holding more than 50% of the share capital/contributed capital of ACBS

Asia Commercial Joint-Stock Bank owns 100% of ACBS' capital.

Asia Commercial Joint-Stock Bank (ACB), which has been incorporated under the business license number 0032/NH-GP issued by the State Bank of Viet Nam on 24/04/1993 and the business license number 533/GP-UB issued by the People's Committee of Ho Chi Minh City on 13/05/1993, came into operation on 04/06/1993.

#### 1.1 Operating activities and business performance of ACB in 2010

In 2010, continuous turbulences in the banking industry undermined the growth and operational efficiency of banks in general and of ACB in particular. To cope with this situation, ACB adopted flexible solutions to minimize adverse impacts on business performance while ensuring compliance with the regulations.

##### Business performance in 2010

In 2010, total EBIT of ACB group amounted to VND 3,102 billion and total assets amounted to VND 205,103 billion. ACB's deposit market share saw a slight increase to 6.34% (0.1% increase compared to the 1st half of 2010) although ACB did not insist on competing with the unreasonable increases of the interest rate. As of the end of 2010, total customer deposits at ACB amounted to VND 137,881 billion. Credit activities kept growing despite the rapid changes and unpredictability of the market. Total credit balance as of 31/12/2010 amounted to VND 87,195 billion, up by VND 24,837 billion (+39.8%) compared to the first half of 2010. Credit quality of ACB was kept under control, with type 3 and type 5 debt accounting for a very low proportion compared to the industry in general (0.34% vs. 2.5%).

Cost control: ACB opened 45 new units and recruited 801 new staff. The total management expenses in 2010 amounted to 2.264 billion VN, up by 356 billion VND compared to 2009. However, the management expenses to total assets ratio decreased to 1.2% from 1.4%. Loan loss reserves were reduced slightly to 240 billion VND, down by 69 billion VND compared to 2009.

Improving the technology adaptability in banking is a central target of ACB's development strategy in order to enhance its competitiveness. In 2010, new programs were started and came into operation such as customer fingerprint identification, Management Information System (MIS), Asset-Liability Management (ALM), Treasury Management, Customer Relationship Management (CRM), TCBS DNA etc...

To meet the target of maximizing revenues from services, ACB Online E-banking service has been launched in May 2010, offering customers a wide range of convenient online transaction tools such as money transfer and bill payment. By the end of 2010, transactions done via ACB Online accounted for 21% of the total transactions of the whole system. In 2010, the guidelines of ACB Development Strategy for the period of 2011-2015 and the Vision by 2020 were formulated by the Board of Directors, defining ACB's development strategy in the coming period.

## 1.2 Operating plan for 2011

Based on the forecasted threats, opportunities and challenges of the business environment in 2011, ACB has set up the following business plan:

### Financial targets:

EBIT:	VND 4,100 billion
Total Assets:	275,000 billion VND
Customer deposit mobilization:	198,000 billion VND
Total outstanding debt:	104,600 billion VND

To achieve these targets, ACB will reinforce proactive sales activities. The business units will employ a sales-services package optimized for different customer groups. Customer care will be strengthened via products and policies designed for specific segments. ACB's interest rate will be adjusted according to the occurrences on the marketplace. The distribution network will be expanded to high potential areas. In 2011, ACB will open 50 new branches and transaction offices.

The year 2011 marks the first step in implementing ACB's development strategy for the period 2011-2015. ACB formed the Management Unit and the Project Management Office to oversee the implementation process of the strategic action plan, including business unit projects and the restructuring of the Head Office and distribution channels. Moreover, ACB rolled out projects to improve system management capacity such as TCBS-DNA project (upgraded from TCBS), Customer Relationship Management (CRM), Treasury system.

The operation plan for 2011 was drafted with forecasts about the business environment as well as the opportunities and challenges that ACB will have to encounter. The Board of Directors and the Management Board will be proactive to address the challenges and exploit opportunities to secure ACB's growth and maximize the shareholder value.

## 2. Companies with more than 50% of the share capital/ contributed capital held by ACBS

ACBS contributed by 100% to the capital of ACB Capital Management Company (ACBC).

In 2010, ACBC has completed the procedure to get the business license for ACB Growth Fund (ACBGF). In February 2011, the State Securities Commission granted a business license to allow the fund to IPO ACBGF. This is the first public fund of which ACBC is responsible for the capital arrangement and management. The total assets of the fund amount to VND 300 billion. The expected closure time of the fund is Q2/2011. Meanwhile, the company will work with ACBS to launch coordinated products such as financial services or M&A...

**INFORMATION OF  
CAPITAL CONTRIBUTION  
AND CORPORATE GOVERNANCE**



## INFORMATION OF CAPITAL CONTRIBUTION AND CORPORATE GOVERNANCE

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### 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 The University of Moscow in Russia with a PhD degree in mathematics and physics. He has over 13 years of experience in the fields of electronics, telecommunication, import/export and over 14 years of experience in the fields of Banking and Finance. Mr. Le Vu Ky is also currently Vice Chairman of ACB's Board of Directors.

- Mr. **Trinh Kim Quang** - *Member*

Mr. Trinh Kim Quang graduated from the University of Economics in HCM City with a Bachelor Degree in Economics. He has over 10 years of experience as a lecturer at the University of Economics in HCM City and over 18 years of experience working for ACB and ACBS at different key positions. Mr. Trinh Kim Quang is currently a Vice Chairman of ACB's Board of Directors.

- Mr. **Do Minh Toan** - *Member*

Mr. Do Minh Toan graduated from Columbia Southern University in USA with an MBA. He also holds a B.A. in Law (HCMC University of Law), a B.A in Economics (HCMC University of Economics) and a B.Sc. in Banking-Finance (HCMC University of Banking). He has over 16 years of experience in the Banking and Financial sector and has held key positions at ACB. Mr. Do Minh Toan is currently Deputy General Manager of ACB.

- Mr. **Tran Hung Huy** - *Member*

Mr. Tran Hung Huy graduated from Chapman University in USA with an MBA and is an ABD Ph.D in Corporate Strategy at Golden Gate University, USA. He has several years of experience at different key positions in ACB and ACBS. Mr. Tran Hung Huy is currently a member of the Board of Directors and Deputy General Manager of ACB.

### 2. The Supervisory Board

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

- Mr. **Nguyen Van Hoa** - *Supervisor*

Mr. Nguyen Van Hoa graduated from the HCMC University of Banking with a B.Sc. in Economics and has 16 years of experience in the Banking and Financial sector. Mr. Hoa is currently working as Chief Accountant at ACB.

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### **3. Activities of the Board of Members**

In 2010, ACBS' BOM conducted 09 meetings to address the following issues:

- Approve the business plan for 2010
- Approve the opening of new branches and transaction offices
- Approve the launch and development of new products and services for ACBS
- Discuss other activities related to ACBS' operation

Meanwhile, the chairman – Mr. Le Vu Ky, regularly attended weekly meetings with the Management to give prompt instructions and set the directions for the activities of the company.

In 2010, the Councils under ACBS' Board of Members such as the ALCO council, the Council for Human Resource & Compensation and the Investment Council also conducted meetings to discuss or make decisions within competent areas.

### **4. 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 Board of Member 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 the strict compliance and identify the risks in a timely manner, simultaneously with a proposed solution.

### **5. Activities aiming to improve ACBS' operational efficiency**

In 2009, ACBS kept its employees and executives updated with the latest information regarding policies, regulations and guidelines from the State Securities Commission, the State Bank and from all the competent Government bodies.

### **6. Ownership ratio of contributed capital and changes in holding ratio of contributed capital**

As of 31 December 2010, 100% of ACBS' capital was contributed by Asia Commercial Bank.

## **ORGANIZATION & PERSONNEL**

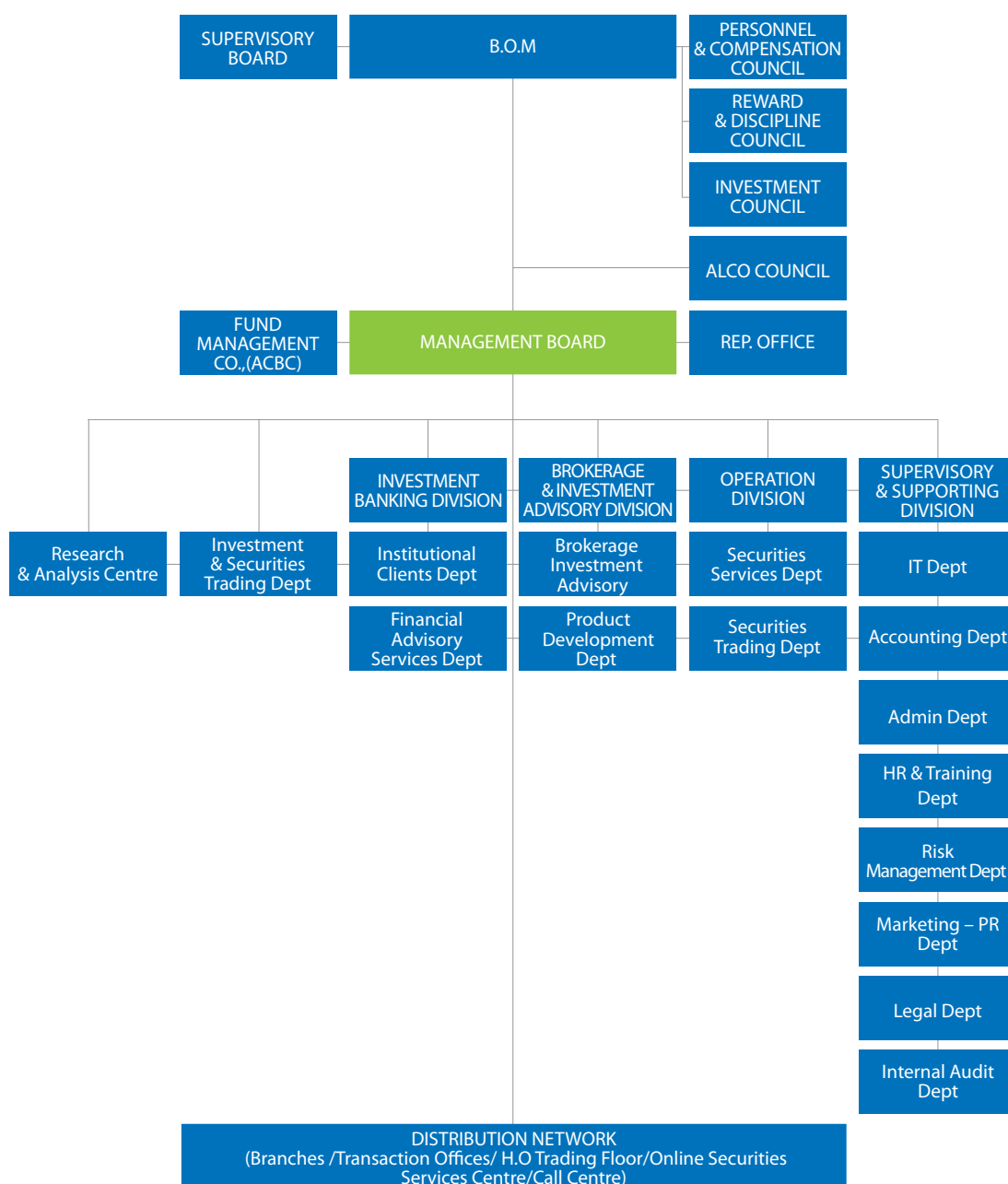


## ORGANIZATION AND PERSONNEL

### 1. General Organizational Structure

Last year ACBS maintained the stability of its organizational structure and simultaneously modified the duties and functions of several operational departments at the head office to enhance efficiency.

Organizational chart



## 2. Working at ACBS

ACBS commits to create a professional working environment in which every member of the company can explore its full potential via professional interaction, open conversations and constructive feedbacks.

Apart from the focus on building a corporate culture based on business ethical standards, ACBS aims at creating a facilitative working environment that encourages learning and sharing of skills and knowledge among members of the company.

ACBS maintains a working environment that encourages professional development and advancement that leads to loyalty among staff.

ACBS has built and maintained competitive compensation policies based on performance, discipline, teamwork and contribution to the success of the company

## 3. Background of the Board of Management



Mr. **Nguyen Ngoc Chung** – *President*

Mr. Nguyen Ngoc Chung has over 21 years of experience in the Banking and Financial industry, including over 16 years in executive positions at 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. Le Thi Phuong Dung holds a B.Sc in Economics from the University of Economics in Ho Chi Minh City, a B.A. in English from the Ho Chi Minh City University and has an experience of over 19 years in Banking and Finance. She has several years of managerial experience in key positions at ACB.

Given such valuable experience and in-depth knowledge on the operations of ACB's system, Ms. Le Thi Phuong Dung holds the position of deputy general manager at ACBS, overseeing the operations and several units from the Supervisory and Supporting functions.

## ORGANIZATION AND PERSONNEL

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### 4. Officers and Staff

As of the 31st of December 2010, the total number of officers and employees of ACBS amounted to 307.

In details, this includes 159 employees qualified for or having been granted with securities trading license and over 20 employees with floor broker certificates. In addition, ACBS has attracted senior and middle management personnel that have been trained overseas and have worked for major international and local financial institutions.

### 5. Policies and benefits for employees

#### 5.1 Training policy

In 2010, ACBS undertook training programs for its staff at the distribution network to ensure that qualifications meet professional requirements. Meanwhile, we organized training courses on sales skills, customer service and technical analysis knowledge for brokers. In addition.

Apart from sponsoring the expenses for professional certificate trainings and securities trading license programs for all staff, ACBS has sponsored tuition fee and test taking fee for professional certificates such as CFA, ACCA, CMO, Professional Investment Analyst, Internet Marketing and Advertising, etc...

#### 5.2 Compensation policy

In general, ACBS' compensation policy covers basic benefits such as base salary, 13th month salary, job achievement bonus, rewards for excellent units and individuals, bonuses for initiatives, bonuses on national holidays and ACB's anniversary. In 2010, ACBS made the trial of the incentive mechanism for front office business units.

#### 5.3 Allowances and social insurance

All regular employees of ACBS benefit from allowances, social insurance, health insurance and unemployment insurance in compliance with the current Labour Law. In addition, ACBS employees benefit from other allowances based on differences in tasks and positions held.

#### 5.4 Other benefits

Apart from benefits for employees as regulated by the Labour Law, ACBS offers supplementary periodical bonuses on the occasions of national holidays (Lunar New Year, 30th of April, etc.) and the company's anniversaries, accident insurance, lunch allowance, uniform allowance, helmet and vacation allowance as well as favourable lending conditions.

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## **6. Changes in the Board of members, Board of management and Supervisors**

### **Board of Members:**

There was no change recorded in the Board of Members of ACBS in 2010.

### **Board of Management and Supervisors:**

In the board of management of ACBS, Mr Nguyen Trung Thanh has resigned as Acting Deputy General Director from September 2010. Within the same year, there was no change regarding the position of Chief Accountant and in the Supervisory Board.

## **7. Training and development policy in 2011**

In 2011, ACBS will continue to improve its policies on training and development via the following activities:

- Refreshment training programs for brokers to improve professional skills and sales skills
- Refreshment training programs for service staff and supervisors of the distribution channels
- Training for the potential key staff.
- Promote professional certificate training for staff at branches outside HCM City and Hanoi
- Supporting staff in getting international professional certificates such as CFA, ACCA etc...

## **COMPANY ACTIVITIES**



### 1. Securities trading and investment activities

#### Equity investment and the results:

The stock market in 2010 has been negatively impacted by unfavourable macroeconomic conditions. The market trend throughout 2010 was at resistance and dropped for a long period. In summary, the VN-Index dropped 2.04% (despite the support of blue chips such as BVH, MSN, VIC) while the HNX-Index fell 32.07% compared to the end of 2009.

By the end of 2010, the market's size expanded 40%, with a total number of 650 listed companies on both exchanges. The market capitalisation, however, did not accordingly increase due to the lower market price of almost all stocks on the two bourses.

The securities investment and trading activities of ACBS faced many difficulties in 2010. ACBS has focused its investments on high potential industries with an appropriate and diverse investment portfolio. We invested in both listed and unlisted stocks and utilised opportunities created by the market to combine quick trading and middle-term investments. As a result, revenue from securities investment and capital contribution reached VND 310.17 billion. Due to a pessimistic market forecast in 2010, ACBS has focused on revising and seeking investment opportunities for a minimum 2-year period, expecting to gain high returns in the next few years.

#### Bond investments and the results:

Conditions were generally unfavourable for investments in 2010. In the first quarter (Q1) of 2010, the stock market remained quiet at the resistance level. The second quarter saw a slight rebound, mainly on mid cap and penny stocks. Then the market saw a sharp fall in quarter three, reaching the bottom of 423.89 points.

In 2010, bond liquidity remained low and bond trading activities were undertaken primarily by banks. Thanks to its business acumen and the ability to seize opportunities created by the changes in the economy, ACBS generated profit of VND 4.5 billion from bond trading.

### 2. Financial Advisory Services and Underwriting

Corporate Financial Advisory Services has contributed a profit to the general business performance of ACBS. With a team of experienced staff and highly capable advisors since its establishment, ACBS has been able to approach clients and provide customized services. As one of the leading companies on the Vietnamese securities market, ACBS has been the choice of some state-owned and private enterprises as well as local and foreign-invested companies as a partner for a successful advisory. Corporate Financial Consultancy services alone accounted for VND 4.5 billion of ACBS' total revenue in 2010.

Apart from the traditional financial services such as equitization, listing and underwriting advisory, ACBS has kept diversifying its portfolio of investment banking services to meet the demand of clients, with advisory services such as Restructuring, Financing Arrangement (in 2010, ACBS successfully arranged VND 4,850 billion worth of corporate bonds), M&A, and Private Equity. In 2010, ACBS has carried out the role of an intermediary to match demand from buyers (Financial Institutions) and sellers (Enterprises) and implement financial transactions.

In 2011, ACBS will keep improving the quality of its traditional services and promote new financial

services with high added value in order to meet the demand of clients on the marketplace.

### **3. Brokerage and Investment Advisory activities**

#### **3.1. Brokerage and Investment Advisory activities for local clients and foreign individuals:**

2010 has marked an innovation regarding the activities of Brokerage and Investment Advisory Department at ACBS with the development of a Sales Policy focused on customer relationship, in which every single client is allocated a dedicated Brokerage and Investment Advisory staff that will provide him with investment advisory and other related services. Additionally, ACBS has started to implement an incentive policy to brokers-investment advisors to encourage them to increase the quality of brokerage and advisory services they can offer to the client. As such, they benefit from incentive schemes on fees and quality of service provided to the client. The team counts 75 brokers and investment advisors, who will regularly attend various training programs or courses to improve their professionalism in 2011. As a result, Brokerage and Investment Advisory activities have gradually been professionalized and the market share has grown by the end of 2010.

To achieve a bigger market share from brokerage and investment advisory services in 2011, ACBS has planned the following key targets:

- Improve Brokerage and Investment Advisory activities at the local distribution network level: Professionalize the brokers and the investment advisory team; maintain the customer development cooperation with PFC-ACB; extend the market share of Brokerage and Investment Advisory services. Moreover, revise the operations of the distribution network and transaction offices to increase the efficiency of the staff performance.
- Enhance support services for brokerage and investment advisory and improve the performance quality of the brokers and investment advisors team: Coordinate with the related members to standardise and increase the added value of the products and diversify the services provided to clients. Train and enhance sales and analysis skills of the brokers and investment advisors.
- Complete the operating regulations of Brokerage and Investment Advisory activities: complete, update and issue new policies, regulations and rules regarding Brokerage and Investment Advisory activities as well as complete the management activity at the head office

#### **3.2. Brokerage and Investment Advisory for Institutional Clients**

Despite the fact that 2010 has not been spectacular from a market performance and liquidity point of view, the Institutional Clients Department could report an impressive growth this year too. Revenue and number of new clients grew in line with the set targets. The mix of revenue sources have changed however in 2010 by recording a significant increase of revenue from block trading, being flat on the traditional equity trading side and dropping somewhat on the fixed income side, as a result of the liquidity conjuncture on the markets.

The increasing competition did not undermine the team's ability to achieve its goals and growth, given the experience and professionalism of the team members as well as our commitment for an ethical way of doing business. The focus areas and growth drivers for 2010 were:

**Best Execution:** We have made significant investments in our IT systems and infrastructure,

## COMPANY ACTIVITIES

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improved the skills of the staff and introduced a new performance measurement as well as an incentive program for the brokers in order to continuously offer the best execution services in Vietnam.

**Block trading and deal flow:** Our sales team and trading team were very successful in overcoming the liquidity constraints of the market by closing several sizeable block trades and by offering a constant flow of deal choices to investors. This proved to be the key success factor in achieving the targets and in supporting growth.

**Customer service & sales:** We have increased significantly the interaction and touchpoints with our current and potential customers as well as conducted seminars and several business trips abroad to be closer to our clients. Our relationship with customers has strengthened and thus, we managed to retain all our accounts in 2010 but one, due to portfolios restructuring purposes.

**Market Intelligence, Research and Corporate Access:** The flow of information and insights provided to the clients have improved significantly in 2010. We extended the number of sources from whom we collect information and market insights, while the Research Department exponentially increased the number and frequency of high quality Research reports and publications. The number of company visits arranged for our clients has been multiplied, thus connecting investors and businesses at a deeper level.

**Values:** We stand out by doing business based on a set of well defined principles and driven by our core values. As such, we have not recorded any complaints with regards to this area in 2010 and we enjoy the continued loyalty and trust of our clients. We consider ethics as the most important of all the focus areas.

We see 2011 as a very difficult year from an institutional brokerage business perspective. Nevertheless, we plan to continue our growth story and the focus areas mentioned above will remain the key drivers of our business in the upcoming year. We are grateful for the trust and strong partnerships we have established with our clients along the years. Nevertheless, we are not complacent and we aim to improve continuously to offer a higher level of service in 2011.

## 4. Product development

In the current context of the Vietnamese securities market, there is an urgent need for new products and services. In 2010, ACBS focused on improving product research and development. With investment efficiency and security for customers as the ultimate goals, ACBS launched new products that allow our clients to access flexible financing with their securities or saving deposit cards as collaterals. The company also improved the quality of our traditional securities services.

In addition, ACBS focused on studying and contributing ideas and cooperate with the government offices in order to develop new products such as margin trading, sale of securities on T+2 and other financial derivatives.

### **Orientations for 2011:**

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The new regulations following the decree 62/2010/QH12 (amended Securities Law) created opportunities to develop new products for the securities market. In 2011, ACBS will conduct some research and launch the “Investment Portfolio Management” product on the market. Meanwhile, the company will prepare the resources, capabilities and technologies that will be necessary for the future product development as defined by the development and management instructions of the Government.

## 5. Online Trading Services

In 2010, ACBS founded and put into operation its Online Securities Service Centre (Bizlink), offering remote trading facilities such as trading via the call centre or via internet. With Bizlink, investors no longer have to come to the trading floor in person. Instead, they can dial 1900 555533 to place orders or request for securities investment consulting services at ACBS. Even after trading time, the investors can also go through ACBS site to query information about the accounts, the events on the stock market during the week, daily market reports done by ACBS; or can use the voice message service to request further information.

To facilitate the clients’ order placing demand, ACBS has launched its online trading system available at the following website: <https://online.acbs.com.vn>; and kept it updated with additional services dedicated to the clients. ACBS expects to add more functionality to the online trading service in Q2/2011.

The order placing process via mobile phone has never been so easy since the introduction of the 3G (UMTS) technology by the mobile operators. In January 2010, ACBS introduced the order placing tool for investors trading via mobile phone at <http://mobile.acbs.com.vn/login/> with a friendly mobile phone screen interface.

Throughout the world the concerns of customers with regards to mobile and online trading are related the security and information confidentiality. ACBS has developed its online trading channel with the maximum level of security to neutralize the potential threats. For the orders placed via the call centre, the transactions are protected with registered phone number, account code and password while internet transactions are protected with static and dynamic passwords granted by a Token.

Currently, more than 50% of the investors trading at ACBS use online trading services and they account for roughly 60% of the daily transactions. In 2011, ACBS expects to further develop online trading facilities in order to better meet the demand of customers.

## 6. Risk management

Risk management is among the top issue of concern in our management and administration strategy, reflected through the daily operations and the business strategy planning. Risk is managed on the basis of the balance between risks and return trade-offs.

## COMPANY ACTIVITIES

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The risk management objectives of ACBS consist of:

- Identify and manage all types of risks
- The level of return to be equivalent to the level of risk and the level of risk to be acceptable for the business as a whole
- According to the risk management criteria issued by ACBS all the staff at ACBS are, according to their own level and position, responsible for the identification of both current and potential risks, and must come up with the appropriate solutions to protect the rights and prestige of ACBS.

Based on analysis of historical data, the Risk Management Department focuses on supporting for investments by identifying market value risks of listed companies. This portfolio assists clients to filter and invest in stocks with high potential return and low risks. The VaR (Value at Risk) model is used to measure the risk on securities investment. According to the value of these assets, the estimated potential loss in one month should not exceed 30% of the collateral's total value for a confidence level of 99%.

The Risk Management Department works in association with other departments to follow and update the change of the legislation related to the business operations. With regards to product and services innovations, the department gives its assistance in determining the risk limit, the risk prevention policy and safe operation processes.

In addition to innovative processes, market risk measurement and supervising tools, the risk management department will work in collaboration with the other departments to review the operational risk and formulate a general risk management solution that will be appropriate to the business strategy and the business plan.

## 7. Operational activities

The year 2010 marked several milestones in improving the quality of trading activities as well as the control of the trading system at the stock exchanges and securities depositories. At the beginning of the year, the Hanoi stock exchange has upgraded its technology platform and developed online trading facilities for listed stocks, and modified the mechanism of the continuous auction on the Upcom market (Unlisted Public Company).

The Ho Chi Minh stock exchange kept improving the quality of the trading via the adjustment of the trading time for instance. Apart from upgrading the trading systems at both exchanges, the Securities Depository Services department has implemented a new system to manage the outstanding balances of investors.

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To cope with these changes, ACBS has improved the quality of its IT system to meet the new regulatory requirements. Within a limited period of time, via the cooperation between the operational units and the IT department, ACBS has completed the process of modifying and upgrading softwares, established new procedures, ensured a timely inspection as requested by the Hanoi and Ho Chi Minh stock exchanges, as well as the Securities Depository. ACBS was among the first 22 securities companies that have been allowed to implement online trading services by the Hanoi stock exchange since February 08, 2010. This marked a milestone at ACBS in the improvement of the order execution process, securing a competitive advantage on the stock market. Besides, ACBS' membership in the Government Bond Exchange has improved the trading of government bonds.

In conjunction with the operating online trading platforms related to the listed public companies and the unlisted public companies on the Hanoi stock exchange, ACBS strengthened the training of its staff and supervisors. The error rate declined significantly in 2010 (down 69% compared to 2009). While the number of total orders placed increased by 31% compared to last year, the costs of error corrections decreased by 67.26%.

In 2010, several new products were introduced to fulfil the target of market share maximization and this resulted in proactive operational activities. The operations department has established tools to monitor and supervise the execution in the distribution network to ensure that the operational irregularities could be properly addressed and the risks well-managed.

In 2010, our depository activities complied strictly with the regulations of the Securities Depository and ensured that the follow-ups and management of detailed balances of investors met the regulations and guidelines of the Securities Depository, with a high accuracy and punctuality. Information on shareholders' portfolio management were promptly communicated to investors via different channels: mobile SMS, registered e-mail, phone calls, etc. Bonus share distribution and additional share issuances were conducted on a timely and accurate basis. Customers' securities deposited at ACBS were managed cautiously and safely. Detailed balances were periodically matched with the Securities Depository to ensure the similarity on a semi-annual basis. In 2010, ACBS did not have any case in which customers complained about a mismatch of the detailed balances.

Another noticeable milestone in 2010 was that ACBS was granted to establish the second gateway at the Securities Depository in Hanoi. This contributed to add a high value to the existing facilities utilities and reduce the trading time via ACBS. Accordingly, the Securities Service Department promptly modified and updated the procedures and issued the relevant guidelines to cope with the new regulations.

The computerization process was actively promoted during the year to minimize the operational

## COMPANY ACTIVITIES

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risk, save time and human resource. The softwares were upgraded according to the new facilities and the templates were standardized from the system. These changes reduced the transaction time for the staff and the clients. In order to guarantee the competitiveness of our services, ACBS has sought and adopted several IT solutions to accelerate the overall speed of the order processing.

The operational risk management was of high importance. The procedures to correct order execution errors, order processing under uncertainty, or system errors were timely updated with new potential scenarios.. In general, the operational activities were effectively controlled during the year. The guidelines and instructions were promptly updated and delivered, in order to minimize the risks that may cause conflicts with customers and may be costly to the company.

In 2010, the branch network of ACBS expanded with the opening of several transaction offices that offered both depository and trading services. Operational units cooperated with the Human Resource Department to organize professional training courses for supervisors and tellers in the distribution network to improve the understanding of the new regulations and increase professionalism.

The year 2011 will bring both opportunities and challenges and the operational system must ensure accuracy, stability and risk minimization. The direct order placing system was amended with optimal solutions to accelerate the order processing speed and data transferred to the trading system of the stock exchanges. Support to specific business units were key to roll out new products in cooperation with the IT department, in order to establish support software programs to monitor the order execution at any branch/office of the distribution network. Training activities were reinforced with more professional courses for supervisory staff at the branches and sub branches. The training quality improved via a combination of theory and practice on simulation modules.

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## 8. Research and analysis activities

The Research and Analysis Centre at ACBS was established with the purpose to provide ACBS's clients with independent, well-founded analytical reports on economic issues, listed stock market, unlisted stock market and bonds. To achieve these targets, ACBS' Research and Analysis Centre is committed to the highest standards of professional analysis: prudence, honesty and independence.

In 2010, ACBS' Research and Analysis Centre focused on improving the quality of reports related to listed equities or the bond market in order to provide customers with accurate and prompt information. In addition, in-depth evaluation on macroeconomic issues was also sent to customers to facilitate their investment decisions.

The analysis portfolio has increased to a number of 60 stocks covered, these stocks accounting for 70% of the total market capitalization on both exchanges, and comprising 14 main industries. Apart from the public reports, ACBS' Research and Analysis Centre prepared customized reports upon the requests of some clients or for internal use.

In 2011, ACBS' Research and Analysis Centre will increase the quality and quantity of its analytical reports to better serve the increasing demand of our clients.

# **AUDITED FINANCIAL REPORTS**



## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

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# CORPORATE INFORMATION

## **Business Registration Certificate No.**

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

## **Establishment and Operation Licence No.**

The 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.

## **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

Mr. Trinh Kim Quang: Member

Mr. Do Minh Toan: Member

Mr. Tran Hung Huy: Member

## **Board of Directors**

Mr. Nguyen Ngoc Chung: Acting General Director

Ms. Le Thi Phuong Dung: Deputy General Director

Mr. Nguyen Trung Thanh: Acting Deputy General Director (resigned on 31 August 2010)

## **Legal Representative**

Mr. Le Vu Ky: Chairman of the Board of Management

## **Principal activities**

The principal activities of the ACB Securities Company ("the Company") 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

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

# STATEMENT BY BOARD OF DIRECTORS

#### 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 2010 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 5 to 27 which present fairly the financial position of the Group as at 31 December 2010, 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



On behalf of Chairman of the Board of Management

**Nguyen Ngoc Chung**

*Acting General Director*

Ho Chi Minh City, SR Vietnam

30 March 2011

# AUDITOR'S REPORT

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 30 March 2011. The consolidated financial statements comprise the balance sheet as at 31 December 2010, 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 5 to 27.

## **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**

Trách nhiệm của chúng tôi là đưa ra ý kiến về các báo cáo tài chính hợp nhất này căn cứ vào việc kiểm tra. 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 evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010



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 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 2010, 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.

A handwritten signature in black ink is written over a red circular official stamp. The stamp contains the text 'CÔNG TY TRÁCH MIỆNG HỮU HẠN PRICEWATERHOUSECOOPERS (VIỆT NAM) QUẬN 1 TP. HỒ CHÍ MINH' and a star symbol.

AC No. N.0561/KTV  
Deputy General Director

A handwritten signature in black ink, likely belonging to the General Director, is shown.

AC No. 0849/KTV

#### PricewaterhouseCoopers (Vietnam) Limited

Ho Chi Minh City, SR Vietnam

Audit report number HCM2762

30 March 2011

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

Code	ASSETS	Note	2010 VND	2009 VND
				<b>Restated</b>
100	CURRENT ASSETS		2,187,475,352,755	1,777,740,472,319
110	Cash and cash equivalents	3	121,007,066,019	999,327,424,865
111	Cash		121,007,066,019	100,967,815,615
112	Cash equivalents		-	898,359,609,250
120	Short-term investments	4(a)	1,028,354,956,508	638,873,396,981
121	Short-term investments		1,024,401,409,670	739,125,572,801
	Other short-term investments		193,548,682,500	-
129	Provision for diminution in value of short-term investments		(189,595,135,662)	(100,252,175,820)
130	Accounts receivable		1,037,001,619,124	138,618,143,118
131	Trade accounts receivable		54,323,437	53,323,437
132	Prepayments to suppliers		285,407,841	2,096,323,060
135	Receivable for securities transactions	5	556,421,500,584	36,373,202,084
138	Other receivables	6	480,480,067,262	100,334,974,537
139	Provision for doubtful debts		(239,680,000)	(239,680,000)
150	Other current assets		1,111,711,104	921,507,355
151	Short-term prepayments		993,921,908	828,887,355
152	Value Added Tax to be reclaimed		59,943,571	-
154	Other taxes receivable		17,845,625	-
158	Other current assets	7	40,000,000	92,620,000
200	LONG-TERM ASSETS		2,171,991,699,018	793,402,463,420
210	Long-term receivables	8	46,577,878,000	105,781,914,500
218	Other long-term receivables		46,577,878,000	105,781,914,500
220	Fixed assets		69,003,458,754	72,875,708,537
221	Tangible fixed assets	9(a)	67,022,306,819	72,494,163,146
222	Cost		95,529,500,216	91,204,723,098
223	Accumulated depreciation		(28,507,193,397)	(18,710,559,952)
227	Intangible fixed assets	9(b)	1,981,151,935	381,545,391
228	Cost		2,423,827,984	504,519,000
229	Accumulated amortisation		(442,676,049)	(122,973,609)
250	Long-term investments	4(b)	2,038,015,184,699	595,377,965,649
253	Long-term investments in securities			
254	- Available-for-sale investments		4,221,960,000	109,550,610,274
258	Other long-term investments		2,066,989,197,022	506,827,355,375

The notes on pages 47 to 69 are an integral part of these consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

FORM B 01 – CTCK

259	Provision for diminution in value of long-term investments		(33,195,972,323)	(21,000,000,000)
260	Other long-term assets		<b>18,395,177,565</b>	19,366,874,734
261	Long-term prepayments	10	3,294,728,654	5,546,986,339
262	Deferred income tax assets	11	5,250,000,000	5,250,000,000
263	Deposit in the Settlement Supporting Fund		8,334,305,315	6,334,305,315
268	Other long-term assets	12	1,516,143,596	2,235,583,080
270	<b>TOTAL ASSETS</b>		<b>4,359,467,051,773</b>	2,571,142,935,739

As at 31 December

Code	RESOURCES	Note	2010 VND	2009 VND Restated
300	<b>LIABILITIES</b>		<b>2,732,903,642,344</b>	670,169,688,393
310	Current liabilities		<b>532,626,873,244</b>	669,962,944,193
311	Short-term borrowing	13(a)	-	500,000,000,000
312	Trade accounts payable		104,741,057	96,005,095
314	Taxes and other payables to the State Budget	14	19,584,920,578	33,683,410,811
315	Payables to employees		5,094,304,902	6,442,987,750
316	Accrued expenses	15	30,020,837,322	43,158,516,796
320	Payables for securities transactions		130,754,706,055	81,935,307,520
321	Dividends payable and bond principals and interest payables		7,713,801,508	2,592,191,621
328	Other payables	16	339,353,561,822	2,054,524,600
330	Long-term liabilities		<b>2,200,276,769,100</b>	206,744,200
334	Long-term borrowings	13(b)	2,200,000,000,000	-
336	Provision for severance allowances		276,769,100	206,744,200
400	<b>OWNER'S EQUITY</b>		<b>1,626,563,409,429</b>	1,900,973,247,346
410	Capital and reserves	17	1,626,563,409,429	1,900,973,247,346
411	Owner's capital		1,500,000,000,000	1,500,000,000,000
417	Investment and development funds		51,778,855,002	50,726,788,438
418	Financial reserve funds		72,554,252,422	71,406,333,209
420	Undistributed earnings		2,230,302,005	278,840,125,699
440	<b>TOTAL RESOURCES</b>		<b>4,359,467,051,773</b>	2,571,142,935,739



**Hua Chi Hung**  
Chief Accountant



**Nguyen Ngoc Chung**  
Acting General Director  
Date

The notes on pages 47 to 69 are an integral part of these consolidated financial statements.

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

Code	Note	2010 VND	2009 VND Restated
1	Revenue	503,873,124,121	522,948,038,073
	In which:		
1,1	On securities brokerage services	96,745,008,013	128,400,413,052
1,2	On securities trading and investments in other entities	318,061,785,874	313,183,977,797
1,5	On investment consultancy services	4,461,920,623	2,194,146,992
1,6	On securities custody services	893,773,095	2,509,937,546
1,9	Other operating incomes	83,710,636,516	76,659,562,686
2	Less deductions	(438,198,511)	(173,437,965)
10	Net operating revenue	503,434,925,610	522,774,600,108
11	Operating expenses	(437,459,897,408)	(137,360,243,149)
20	Gross operating profit	65,975,028,202	385,414,356,959
25	General and administrative expenses	(39,089,800,461)	(39,342,701,783)
30	Net operating profit	26,885,227,741	346,071,655,176
31	Other income	129,016,864	285,820,679
32	Other expenses	(2,448,149,024)	(394,800,489)
40	Net other expenses	(2,319,132,160)	(108,979,810)
50	Net accounting profit before tax	24,566,095,581	345,962,675,366
51	Business income tax – current	(1,590,484,337)	(32,731,039,752)
52	Business income tax – deferred	-	5,250,000,000
60	Net profit after tax	22,975,611,244	318,481,635,614



**Hua Chi Hung**  
Chief Accountant



**Nguyen Ngoc Chung**  
Acting General Director  
Date

The notes on pages 47 to 69 are an integral part of these consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

FORM B 03 – CTCK

# CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the year ended  
31 December

Code	2010 VND	2009 VND
		Restated
<b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01 Net profit before tax	24,566,095,581	345,962,675,366
Adjustments for:		
02 Depreciation and amortisation	10,296,821,097	9,404,533,561
03 Provisions	101,538,932,165	(22,349,494,578)
Gains on disposal of fixed assets	29,885,924	34,000,000
05 Profits from investing activities	(166,719,690,615)	(278,684,000,000)
Income from "reverse repo" contracts	(16,067,875,605)	(35,698,643,036)
06 Interest expenses	173,486,179,610	43,879,565,752
08 Operating profit before changes in working capital	127,130,348,157	62,548,637,065
09 Increase in receivables	(735,955,387,618)	354,078,686,512
Increase in trading securities	(428,824,519,369)	(369,094,800,000)
11 Increase/(decrease) in payables	386,035,732,586	(662,455,639,647)
12 Decrease in prepaid expenses	2,087,223,132	1,794,126,306
13 Interest paid	(183,502,777,779)	(44,000,000,000)
14 Business income tax paid	(33,676,875,934)	(26,739,705,418)
15 Other receipts from operating activities	-	1,347,776,116
16 Other payments on operating activities	(2,146,250,000)	(298,979,196)
20 Net cash flows from operating activities	(868,852,506,825)	(682,819,898,262)
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>		
21 Purchases of fixed assets and other long-term assets	(6,456,981,290)	(62,865,268,490)
22 Proceeds from disposals of fixed assets and other long-term assets	2,524,052	251,000,000
Deposits at bank	-	(50,000,000,000)
25 Investments in other entities	(1,541,389,391,373)	(183,393,965,649)
26 Proceeds from disposal of investments in other entities	38,623,200,000	772,642,000,000
27 Dividends and interest received	78,337,034,620	131,106,155,221
30 Net cash flows from investing activities	(1,430,883,613,991)	607,739,921,082
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>		
31 Capital contribution	-	500,000,000,000
33 Proceeds from issuance of bonds	3,200,000,000,000	-
34 Repayments of borrowing	(1,500,000,000,000)	-
36 Dividend paid	(278,584,238,030)	(501,510,000,000)
40 Net cash flows from financing activities	1,421,415,761,970	(1,510,000,000)
50 Net (decrease)/increase in cash and cash equivalents	(878,320,358,846)	(76,589,977,180)
60 Cash and cash equivalents at beginning of year	999,327,424,865	1,075,917,402,045
70 Cash and cash equivalents at end of year	121,007,066,019	999,327,424,865



**Hua Chi Hung**  
Chief Accountant



**Nguyen Ngoc Chung** - Acting General Director-  
Date

The notes on pages 47 to 69 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

### 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 ("Parent Bank").

As at 31 December 2010, 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 2010, the Company had 311 employees (2009: 219 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.

# CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

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### 2.2 Fiscal year

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

### 2.3 Currency

The consolidated financial statements are measured in Vietnamese dong and presented using Vietnamese dong ("VND").

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

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.

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.

# CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

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### *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 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.

## 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

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

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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.

#### 2.15 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company 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 Company. A provision for severance allowance is made for the estimated liability for employment termination as a result of services rendered by employees. Pursuant to Law on Social Insurance, effective from 1 January 2009, the Company is required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment scheme, the Company is no longer required to provide for the service period after 1 January 2009.

## 3. CASH AND CASH EQUIVALENTS

	31,12,2010	31,12,2009
	VND	VND
Cash on hand	113,773	7,515,310
Cash at bank	55,154,735,246	23,632,517,982
Deposits for clearing settlement	65,852,217,000	77,327,782,323
Cash equivalents	-	898,359,609,250
	<b>121,007,066,019</b>	<b>999,327,424,865</b>

## 4. SECURITIES INVESTMENTS

	31.12.2010				
	Book value	Compared to market value		Market value	Provision
	VND	Increase VND	Decrease VND	VND	VND
(a) Short-term investments	1,217,950,092,170	<b>97,079,497,804</b>	(189,595,135,662)	1,125,434,454,312	(189,595,135,662)
- Listed equity securities (*)	890,777,086,061	539,921,747	(187,393,727,330)	703,923,280,478	(187,393,727,330)
- Unlisted equity securities (**)	128,650,723,609	96,025,019,324	(2,201,408,332)	222,474,334,601	(2,201,408,332)
- Bonds	4,973,600,000	514,556,733	-	5,488,156,733	-
- Other short-term investments (***)	193,548,682,500	-	-	193,548,682,500	-
(b) Long-term investments	2,071,211,157,022	-	(33,195,972,323)	2,038,015,184,699	(33,195,972,323)
- Available-for-sale securities					
+ Unlisted equity investment (**)	4,221,960,000	-	-	4,221,960,000	-
- Other long-term investments					
+ Listed equity securities	1,293,590,371,646	-	-	1,293,590,371,646	-
+ Unlisted equity securities	773,398,825,376	-	(33,195,972,323)	740,202,853,053	(33,195,972,323)
	<b>3,289,161,249,192</b>	<b>97,079,497,804</b>	(222,791,107,985)	<b>3,163,449,639,011</b>	(222,791,107,985)

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

	31.12.2009				
	Book value	Compared to market value		Market value	Provision
		Increase	Decrease		
	VND	VND	VND	VND	VND
(a) Short-term investments	739,125,572,801	<b>112,578,772,440</b>	(100,252,175,820)	751,452,169,421	(100,252,175,820)
- Listed equity securities (*)	628,767,717,149	6,882,772,440	(98,069,290,168)	537,581,199,421	(98,069,290,168)
- Unlisted equity securities (**)	110,357,855,652	105,696,000,000	(2,182,885,652)	213,870,970,000	(2,182,885,652)
(b) Long-term investments	616,377,965,649	<b>66,231,329,726</b>	(21,000,000,000)	661,609,295,375	(21,000,000,000)
- Available-for-sale securities					
+ Listed equity investment (*)	105,328,650,274	58,209,605,726	-	163,538,256,000	-
+ Unlisted equity investment (**)	4,221,960,000	8,021,724,000	-	12,243,684,000	-
- Other long-term investments					
+ Unlisted equity securities	456,827,355,375	-	(21,000,000,000)	435,827,355,375	(21,000,000,000)
+ Other long-term investments	50,000,000,000	-	-	50,000,000,000	-
	<b>1,355,503,538,450</b>	<b>178,810,102,166</b>	(121,252,175,820)	<b>1,413,061,464,796</b>	(121,252,175,820)

(\*) 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 Phu Hung Securities Company.

(\*\*\*) Other short-term investment represents the stock purchase right of subscription.

## 5. TRADE ACCOUNTS RECEIVABLE

	31.12.2010	31.12.2009
	VND	VND
Receivables from disposal of investments	555,497,064,800	34,924,092,070
Brokerage fees receivable from other customers	924,435,784	1,449,110,014
	<b>556,421,500,584</b>	<b>36,373,202,084</b>

**6. OTHER RECEIVABLES**

	<b>31,12,2010</b>	<b>31,12,2009</b>
	<b>VND</b>	<b>VND</b>
Receivable from short-term "reverse repo" contracts (*)	79,415,000,000	84,916,900,000
Accrued interest receivables from short-term "reverse repo" contracts	35,062,857,000	12,988,608,153
Dividend receivable	105,960,884,976	167,322,126
Deposit for bidding	3,244,519,000	318,713,110
Other receivables (**)	256,796,806,286	1,943,431,148
	<b>480,480,067,262</b>	<b>100,334,974,537</b>

(\*) Cash paid to customers for reverse repo contracts which will be matured within one year. Average interest rate applied to these contracts was 0.9%/month. These contracts will expire in 2011.

(\*\*) The balances represent the amount paid to third parties for securities trading activities. The Company earns fix interest on paid amount with the average interest rate from 14.4% pa to 19% pa.

**7. OTHER CURRENT ASSETS**

	<b>31,12,2010</b>	<b>31,12,2009</b>
	<b>VND</b>	<b>VND</b>
Advances	-	52,620,000
Short-term deposits	40,000,000	40,000,000
	<b>40,000,000</b>	<b>92,620,000</b>

**8. LONG-TERM RECEIVABLES**

	<b>31,12,2010</b>	<b>31,12,2009</b>
	<b>VND</b>	<b>VND</b>
Receivable from long-term "reverse repo" contracts (*)	44,470,000,000	79,415,000,000
Accrued interest receivables from long-term "reverse repo" contracts	2,107,878,000	26,366,914,500
	<b>46,577,878,000</b>	<b>105,781,914,500</b>

(\*) 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 2012.

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 9. FIXED ASSETS

##### (a) Tangible fixed assets

	Buildings	Office equipments	Motor vehicles	Management equipments	Other tangible fixed assets	Total
	VND	VND	VND	VND	VND	VND
<b>HISTORICAL COST</b>						
At 1 January 2010	62,837,521,895	20,373,819,377	5,988,089,009	367,996,014	1,637,296,803	91,204,723,098
New purchases	-	-	-	4,417,085,763	120,586,543	4,537,672,306
Reclassification	(616,000,000)	-	-	-	616,000,000	-
Disposals	-	(212,895,188)	-	-	-	(212,895,188)
At 31 December 2010	62,221,521,895	20,160,924,189	5,988,089,009	4,785,081,777	2,373,883,346	<b>95,529,500,216</b>
<b>ACCUMULATED DEPRECIATION</b>						
At 1 January 2010	3,801,212,248	11,371,027,982	2,672,463,757	88,569,454	777,286,511	18,710,559,952
Charge for the year	2,511,447,539	5,195,131,354	941,077,423	638,259,682	691,202,659	9,977,118,657
Disposals	-	(180,485,212)	-	-	-	(180,485,212)
Reclassification	(39,013,333)	-	-	-	39,013,333	-
At 31 December 2010	6,273,646,454	16,385,674,124	3,613,541,180	726,829,136	1,507,502,503	<b>28,507,193,397</b>
<b>Net book value</b>						
At 1 January 2010	59,036,309,647	9,002,791,395	3,315,625,252	279,426,560	860,010,292	72,494,163,146
At 31 December 2010	55,947,875,441	3,775,250,065	2,374,547,829	4,058,252,641	866,380,843	<b>67,022,306,819</b>

Historical costs of tangible fixed assets fully depreciated and still in use VND9,879,022,888 (2009: VND1,039,000,000).

##### (b) Intangible fixed assets

	Computer software
	VND
<b>Historical cost</b>	
At 1 January 2010	504,519,000
New purchases	1,919,308,984
At 31 December 2010	<b>2,423,827,984</b>
<b>Accumulated amortisation</b>	
At 1 January 2010	122,973,609
Charge for the year	319,702,440
At 31 December 2010	<b>442,676,049</b>
<b>Net book value</b>	
At 1 January 2010	381,545,391
At 31 December 2010	<b>1,981,151,935</b>

**10. LONG-TERM PREPAYMENTS**

	31.12.2010	31.12.2019
	VND	VND
At 1 January	5,546,986,339	7,206,000,000
Additions	315,117,954	2,416,477,841
Amortisation for the year	(2,567,375,639)	(4,075,491,502)
At 31 December	<b>3,294,728,654</b>	5,546,986,339

**11. DEFERRED INCOME TAX ASSET**

	31.12.2010	31.12.2009
	VND	VND
Deferred income tax asset recognised on deductible temporary differences	<b>5,250,000,000</b>	5,250,000,000

	31.12.2010	31.12.2009
	VND	VND
Beginning of balance	5,250,000,000	-
Credited to the income statement	-	5,250,000,000
Ending of balance	<b>5,250,000,000</b>	5,250,000,000

**12. OTHER LONG TERM ASSETS**

	31.12.2010	31.12.2009
	VND	VND
Long-term mortgages deposits	1,516,143,596	1,369,893,596
Others	-	865,689,484
	<b>1,516,143,596</b>	<b>2,235,583,080</b>

**13. BORROWINGS**

## (a) Short term borrowing

	31.12.2010	31.12.2009
	VND	VND
Bond issuance on due date	-	500,000,000,000

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### (b) Long term borrowing

	31.12.2010	31.12.2009
	VND	VND
Bond issuance	2,200,000,000,000	-

As at 31 December 2010, Company issued 32,000,000 (thirty two million) bonds at nominal value of VND100,000 per bond and with coupon rates from 11.4% per annum to 14.3% per annum. During the year, 10,000,000 (ten million) bonds have been repaid before maturity date. All bonds will be expired in 2012 and 2013.

#### 14. TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	31.12.2010	31.12.2009
	VND	VND
VAT on domestic sales	-	54,449,316
Business income tax – current	330,682,934	32,399,228,906
Other taxes:		
- Personal income tax	1,022,129,186	564,887,715
- Other taxes	18,232,108,458	664,844,874
	<b>19,584,920,578</b>	<b>33,683,410,811</b>

#### 15. ACCRUED EXPENSES

	31,12,2010	31,12,2009
	VND	VND
Accrued interest expenses on bonds	26,268,333,338	36,284,931,507
Fee payables to Securities Stock Exchanges	2,549,225,906	1,462,902,830
Agency commission fee payables to Parent Bank	1,165,414,078	3,650,256,064
Others	37,864,000	1,760,426,395
	<b>30,020,837,322</b>	<b>43,158,516,796</b>

**16. OTHER PAYABLES**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>VND</b>	<b>VND</b>
Social insurance, health insurance, union fee	35,316,590	58,613,499
Deferred income	3,030,303	243,793,001
Dividends payable to Parent Bank (Note 24)	18,801,211,131	-
Other payables (*)	320,514,003,798	1,752,118,100
	<b>339,353,561,822</b>	<b>2,054,524,600</b>

(\*) Including in other payables as at 31 December 2010, there were deposits from third parties to warranty the settlement for securities trading activities.

**17. MOVEMENTS IN OWNER'S EQUITY**

	<b>Owner's capital</b>	<b>Undistributed earnings</b>	<b>Financial reserve funds</b>	<b>Investment and development funds</b>	<b>Total</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
At 1 January 2009	1,000,000,000,000	9,837,101,809	55,491,607,927	34,869,207,045	1,100,197,916,781
Increase in owner's capital	500,000,000,000	-	-	-	500,000,000,000
Net profit for the year	-	318,481,635,614	-	-	318,481,635,614
Appropriation to reserves	-	(31,772,306,675)	15,914,725,282	15,857,581,393	-
Profit transferred to Parent Bank	-	(17,706,305,049)	-	-	(17,706,305,049)
At 31 December 2009	1,500,000,000,000	278,840,125,699	71,406,333,209	50,726,788,438	1,900,973,247,346
Net profit for the year	-	22,975,611,244	-	-	22,975,611,244
Appropriation to reserves	-	(2,199,985,777)	1,147,919,213	1,052,066,564	-
Profit transferred to Parent Bank	-	(297,385,449,161)	-	-	(297,385,449,161)
At 31 December 2010	1,500,000,000,000	2,230,302,005	72,554,252,422	51,778,855,002	<b>1,626,563,409,429</b>

**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.

# CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

### 18. REVENUE FROM INVESTING ACTIVITY

	For the year ended 31 December	
	2010	2009
	VND	VND
Gain on trading short-term investments	51,962,362,759	32,164,000,000
Gain on disposal of available-for-sale investments	2,067,000,000	126,630,000,000
Gain on disposal of other long term investments	-	75,404,000,000
Gain from right subscription	99,379,732,500	-
Dividend income	164,652,690,615	76,650,000,000
Interest income from investments in bonds	-	2,335,977,797
	<b>318,061,785,874</b>	<b>313,183,977,797</b>

### 19. OTHER OPERATING INCOMES

	Năm tài chính kết thúc ngày	
	31,12,2010	31,12,2009
	VND	VND
Interest income from term deposits at banks	31,953,662,303	33,273,980,841
Interest income from demand deposits at banks	6,297,948,651	5,424,728,634
Income from "reverse repo" contracts	16,067,875,605	35,698,643,036
Advance revenue on T-day	1,275,866,252	57,294,081
Internal revenue	1,813,576,682	1,873,572,327
Others	26,301,707,023	331,343,767
	<b>83,710,636,516</b>	<b>76,659,562,686</b>

### 20. OPERATING EXPENSES

	For the year ended 31 December	
	2010	2009
	VND	VND
Brokerage fees	20,861,666,249	34,479,609,865
Securities trading expenses	81,247,911,401	37,936,516,253
Custody expenses	6,029,403,937	2,010,514,108
Reversal/additional charge of provisions	101,538,932,165	(22,349,494,578)
Interest expenses on bonds	173,486,179,610	43,879,565,752
Staff costs	30,996,655,460	20,784,719,129
Depreciation and amortisation	5,191,937,856	3,849,592,894
Other direct securities trading expenses	18,107,210,730	16,769,219,726
	<b>437,459,897,408</b>	<b>137,360,243,149</b>

**21. GENERAL AND ADMINISTRATIVE EXPENSES**

	For the year ended 31 December	
	2010	2009
	VND	VND
Depreciation and amortisation	5,104,883,241	5,554,940,667
Staff cost	15,278,043,793	16,193,331,924
Materials, stationery	170,589,417	754,980,624
Tools	600,268,510	394,525,583
Tax and other related fees	126,501,504	62,211,550
Expenses for outside services rendered	11,624,143,785	9,876,716,449
Other expenses	6,185,370,211	6,505,994,986
	<b>39,089,800,461</b>	<b>39,342,701,783</b>

**22. NET OTHER EXPENSES**

	For the year ended 31 December	
	2010	2009
	VND	VND
Other income		
Gain on disposal of fixed assets	500,000	-
Others	128,516,864	285,820,679
	<b>129,016,864</b>	<b>285,820,679</b>
Other expenses		
Loss on disposal of fixed assets	30,385,924	34,000,000
Others	2,417,763,100	360,800,489
	<b>2,448,149,024</b>	<b>394,800,489</b>
Net other expenses	(2,319,132,160)	(108,979,810)

**23. TAXATION**

	For the year ended 31 December	
	2010	2009
	VND	VND
Business income tax – current	1,590,484,337	32,731,039,752
Deferred income tax – deferred (Note 11)	-	(5,250,000,000)
	<b>1,590,484,337</b>	<b>27,481,039,752</b>

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.

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 23. TAXATION (continued)

	For the year ended 31 December	
	2010	2009
	VND	VND
Net accounting profit before tax	<b>24,566,095,581</b>	<b>345,962,675,366</b>
Tax (at regulated tax rates of 25%)	6,141,532,895	69,272,258,233
Adjustment:		
Tax on income not subject to tax	(41,163,172,653)	(15,329,949,362)
Tax on expenses not deductible for tax purposes	311,507,347	76,193,098
Tax losses for which no deferred income tax asset was recognised	35,354,901,402	-
Impact of change in tax rates	-	(1,050,000,000)
Underprovision/(overprovision) in previous year	945,724,346	(17,465,550,591)
Favourable tax treatment on income	-	(8,021,911,626)
Business income tax charge (*)	<b>1,590,484,337</b>	<b>27,481,039,752</b>

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

#### 24. RELATED PARTY TRANSACTIONS

The Company is controlled by Asia Commercial Joint Stock Bank ("Parent 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:

##### i) Sales of goods and services

	For the year ended 31 December	
	2010	2009
	VND	VND
Parent Bank		
Income from brokerage activities	382,715,700	521,726,712
Income from trading securities	-	13,986,000,000
Income from consultant activities	431,818,182	180,909,091
Income from cash advance on T-day	1,275,866,252	57,294,081
Interest income on deposits at banks	31,574,686,173	37,540,299,864
Other income	1,813,576,682	2,453,371,827
	<b>35,478,662,989</b>	<b>54,739,601,575</b>

**24. RELATED PARTY TRANSACTIONS (continued)****(a) Related party transactions (continued)**

## ii) Purchases of goods and services

	For the year ended 31 December	
	2010	2009
	VND	VND
Agency commission fee paid to Parent Bank	6,647,843,805	17,393,813,456
Entrust fee	99,727,411	63,882,785
Purchase of tools	338,254,420	-
Fee paid to Parent Bank	35,500,000	-
Fee paid to fellow subsidiaries	2,940,475,786	2,117,555,128
	<b>10,061,801,422</b>	<b>19,575,251,369</b>

## iii) Sales of fixed assets

	For the year ended 31 December	
	2010	2009
	VND	VND
Sales of fixed assets to Parent Bank	-	<b>223,811,403</b>

## iv) Purchases of fixed assets

	For the year ended 31 December	
	2010	2009
	VND	VND
Purchases of fixed assets from Parent Bank	<b>725,503,146</b>	-

## v) Financing activities

	For the year ended 31 December	
	2010	2009
	VND	VND
Gross salaries and other benefits	<b>3,779,693,290</b>	<b>4,396,905,860</b>

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### vi) Financing activities

	For the year ended 31 December	
	2010	2009
	VND	VND
Profit transferred to Parent Bank	297,385,449,161	17,706,305,049
Capital contribution from Parent Bank	-	500,000,000,000
Repayment of capital advance to Parent Bank	-	(100,000,000,000)

#### vii) Entrusted investment activities

	Năm tài chính kết thúc ngày	
	31,12,2010	31,12,2009
	VND	VND
Entrusted investments to Parent Bank	225,500,000,000	1,235,789,613

#### (b) Year end balances with related parties

	31.12.2010	31.12.2009
	VND	VND
Cash and cash equivalents (Note 3)		
Deposits at Parent Bank	168,566,226,798	866,030,098,454
Securities investments (Note 4)		
Entrusted investment at Parent Bank	372,499,335,375	146,999,335,375
Payable expenses (Note 16)		
Agency commission fee payable to Parent Bank	1,165,414,078	3,650,256,064
Other payables (Note 17)		
Dividends payable to Parent Bank	18,801,211,131	-

## 25. COMMITMENTS UNDER OPERATING LEASES

The Company is leasing the office building under operating lease contracts. As at 31 December 2010, the future minimum lease payments under non-cancellable operating leases are as follows:

	31.12.2010	31.12.2010
	VND	VND
Within one year	8,660,570,178	6,051,107,787
Between one and five years	18,088,205,289	16,825,910,915
Over five years	1,278,262,135	5,902,910,503
<b>Total minimum payments</b>	<b>28,027,037,602</b>	<b>28,779,929,205</b>

## 26. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified to conform with the current year's presentation in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing regulations applicable to fund management companies operating in SR Vietnam.

The consolidated financial statements were approved by the Board of Directors on 30 March 2011.



**Hua Chi Hung**  
Chief Accountant



**Nguyen Ngoc Chung**  
Acting General Director

**SINGLE-ENTITY FINANCIAL  
STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2010**



# **SINGLE-ENTITY FINANCIAL STATEMENTS**

## FOR THE YEAR ENDED 31 DECEMBER 2010

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# CORPORATE INFORMATION

## **Business Registration Certificate No.**

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

## **Establishment and Operation Licence No.**

The 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.

## **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

Mr. Trinh Kim Quang: Member

Mr. Do Minh Toan: Member

Mr. Tran Hung Huy: Member

## **Board of Directors**

Mr. Nguyen Ngoc Chung: Acting General Director

Ms. Le Thi Phuong Dung: Deputy General Director

Mr. Nguyen Trung Thanh: Acting Deputy General Director (resigned on 31 August 2010)

## **Legal Representative**

Mr. Le Vu Ky: Chairman of the Board of Management

## **Principal activities**

The principal activities of the ACB Securities Company ("the Company") are brokerage services; securities trading; investment portfolio management services; custodian services; consultancy services for stock investment.

## **Registered office**

107N Truong Dinh Street, District 3, Ho Chi Minh City

## **Auditor**

PricewaterhouseCoopers (Vietnam) Limited

## SINGLE-ENTITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

# STATEMENT BY BOARD OF DIRECTORS

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

The Legal Representative authorised for the Board of Directors to be responsible for preparation of single-entity financial statements which present fairly the financial position of the Company as at 31 December 2010 and its financial performance and cash flows for the year then ended. In preparing these 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 single-entity financial statements on a going concern basis unless it is inappropriate to presume that the Company 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 Company and which enable financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the single-entity financial statements. The Board of Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE SINGLE-ENTITY FINANCIAL STATEMENTS

We hereby approve the accompanying single-entity financial statements as set out on pages 5 to 26 which present fairly the financial position of the Company as at 31 December 2010, 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



On behalf of Chairman of the Board of Management

**Nguyen Ngoc Chung**

*Acting General Director*

Ho Chi Minh City, SR Vietnam

30 March 2011

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# AUDITOR'S REPORT

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

We have audited the accompanying single-entity financial statements of ACB Securities Company ("the Company"), which were approved by the Board of Directors on 30 March 2010. The single-entity financial statements comprise the balance sheet as at 31 December 2010, the income statement and cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 26.

### **Board of Directors' Responsibility for the single-entity Financial statements**

Board of Directors of the Company is responsible for the preparation and fair presentation of these single-entity 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 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 single-entity 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 single-entity financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the single-entity 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 single-entity 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 evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

## SINGLE-ENTITY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010



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

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2010, 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.

A red circular official stamp is positioned on the left, featuring the text 'CÔNG TY TRÁCH MIỆNG HỮU HẠN PRICEWATERHOUSECOOPERS VIỆT NAM' and 'QUẬN 1 TP. HỒ CHÍ MINH'. To the right of the stamp is a handwritten signature in black ink.

Deputy General Director

#### PricewaterhouseCoopers (Vietnam) Limited

Ho Chi Minh City, SR Vietnam

Audit report number HCM2762

30 March 2011

As indicated in Note 2.1 to the financial statements, the accompanying 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

Code	ASSETS	Note	2010 VND	2009 VND
				Restated
100	CURRENT ASSETS		2,134,958,448,130	1,775,878,931,480
110	Cash and cash equivalents	3	118,843,484,831	997,785,874,130
111	Cash		118,843,484,831	99,426,264,880
112	Cash equivalents		-	898,359,609,250
120	Short-term investments	4(a)	978,354,956,508	638,873,396,981
121	Short-term investments		1,024,401,409,670	739,125,572,801
	Other short-term investments		143,548,682,500	-
129	Provision for diminution in value of short-term investments		(189,595,135,662)	(100,252,175,820)
130	Accounts receivable		1,036,648,295,687	138,298,153,014
131	Trade accounts receivable		1,000,000	-
132	Prepayments to suppliers		285,407,841	2,096,323,060
135	Receivable for securities transactions	5	556,421,500,584	36,373,202,084
138	Other receivables	6	480,180,067,262	100,068,307,870
139	Provision for doubtful debts		(239,680,000)	(239,680,000)
150	Other current assets		1,111,711,104	921,507,355
151	Short-term prepayments		993,921,908	828,887,355
152	Value Added Tax to be reclaimed		59,943,571	-
154	Other taxes receivable		17,845,625	-
158	Other current assets	7	40,000,000	92,620,000
200	LONG-TERM ASSETS		2,221,710,875,880	793,113,202,614
210	Long-term receivables	8	46,577,878,000	105,781,914,500
218	Other long-term receivables		46,577,878,000	105,781,914,500
220	Fixed assets		68,993,614,812	72,857,426,927
221	Tangible fixed assets	9(a)	67,012,462,877	72,475,881,536
222	Cost		95,504,187,216	91,179,410,098
223	Accumulated depreciation		(28,491,724,339)	(18,703,528,562)
227	Intangible fixed assets	9(b)	1,981,151,935	381,545,391
228	Cost		2,423,827,984	504,519,000
229	Accumulated amortisation		(442,676,049)	(122,973,609)
250	Long-term investments	4(b)	2,088,015,184,699	595,377,965,649
251	Investments in subsidiaries		50,000,000,000	50,000,000,000
253	Long-term investments in securities			
254	Available-for-sale investments		4,221,960,000	109,550,610,274

The notes on pages 77 to 99 are an integral part of these consolidated financial statements.

# SINGLE-ENTITY FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

FORM B 01 – CTCK

258	Other long-term investments		2,066,989,197,022	456,827,355,375
259	Provision for diminution in value of long-term investments		(33,195,972,323)	(21,000,000,000)
260	<b>Other long-term assets</b>		<b>18,124,198,369</b>	<b>19,095,895,538</b>
261	Long-term prepayments	10	3,294,728,654	5,546,986,339
262	Deferred income tax assets	11	5,250,000,000	5,250,000,000
263	Deposit in the Settlement Supporting Fund		8,334,305,315	6,334,305,315
268	Other long-term assets	12	1,245,164,400	1,964,603,884
270	<b>TOTAL ASSETS</b>		<b>4,356,669,324,010</b>	<b>2,568,992,134,094</b>

As at 31 December

Code	RESOURCES	Note	2010 VND	2009 VND Restated
300	<b>LIABILITIES</b>		<b>2,732,353,226,110</b>	<b>669,557,161,903</b>
310	<b>Current liabilities</b>		<b>532,086,165,950</b>	<b>669,366,626,383</b>
311	Short-term borrowing	13(a)	-	500,000,000,000
312	Trade accounts payable		97,287,697	90,233,697
314	Taxes and other payables to the State Budget	14	19,251,012,644	33,413,736,399
315	Payables to employees		4,932,822,902	6,149,615,750
316	Accrued expenses	15	29,982,973,322	43,131,016,796
320	Payables for securities transactions		130,754,706,055	81,935,307,520
321	Dividends payable and bond principals and interest payables		7,713,801,508	2,592,191,621
328	Other payables	16	339,353,561,822	2,054,524,600
330	<b>Long-term liabilities</b>		<b>2,200,267,060,160</b>	<b>190,535,520</b>
334	Long-term borrowings		2,200,000,000,000	-
336	Provision for severance allowances		267,060,160	190,535,520
400	<b>OWNER'S EQUITY</b>		<b>1,624,316,097,900</b>	<b>1,899,434,972,191</b>
410	<b>Capital and reserves</b>	17	1,624,316,097,900	1,899,434,972,191
411	Owner's capital		1,500,000,000,000	1,500,000,000,000
417	Investment and development funds		51,778,855,002	50,726,788,438
418	Financial reserve funds		72,401,255,884	71,349,189,320
420	Undistributed earnings		135,987,014	277,358,994,433
440	<b>TOTAL RESOURCES</b>		<b>4,356,669,324,010</b>	<b>2,568,992,134,094</b>



**Hua Chi Hung**  
Chief Accountant



**Nguyen Ngoc Chung**  
Acting General Director  
Date

The notes on pages 77 to 99 are an integral part of these financial statements.

# INCOME STATEMENT

For the year ended 31 December

Code	Note	2010 VND	2009 VND Restated
1	Revenue	498,614,767,911	516,651,211,151
	In which:		
1,1	On securities brokerage services	96,745,008,013	128,400,413,052
1,2	On securities trading and investments in other entities	319,287,029,471	313,183,977,797
1,5	On investment consultancy services	4,461,920,623	2,194,146,992
1,6	On securities custody services	893,773,095	2,509,937,546
1,9	Other operating incomes	77,227,036,709	70,362,735,764
2	Less deductions	(438,198,511)	(173,437,965)
10	Net operating revenue	503,434,925,610	516,477,773,186
11	Operating expenses	(436,415,803,750)	(135,417,133,707)
20	Gross operating profit	61,760,765,650	381,060,639,479
25	General and administrative expenses	(36,229,334,274)	(36,528,255,465)
30	Net operating profit	25,531,431,376	344,532,384,014
31	Other income	129,016,864	230,628,679
32	Other expenses	(2,448,149,024)	(394,800,489)
40	Net other expenses	(2,319,132,160)	(164,171,810)
50	Net accounting profit before tax	23,212,299,216	344,368,212,204
51	Business income tax – current	(945,724,346)	(32,466,584,340)
52	Business income tax – deferred	-	5,250,000,000
60	Net profit after tax	22,266,574,870	317,151,627,864



**Hua Chi Hung**  
Chief Accountant



**Nguyen Ngoc Chung**  
Acting General Director  
Date

The notes on pages 77 to 99 are an integral part of these financial statements.

# SINGLE-ENTITY FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

Form B 03 – CTCK

### CASH FLOW STATEMENT

(Indirect method)

For the year ended  
31 December

Code	Note	2010 VND	2009 VND
			Restated
I	CASH FLOWS FROM OPERATING ACTIVITIES		
01	Net profit before tax	24,566,095,581	345,962,675,366
	Adjustments for:		
02	Depreciation and amortisation	10,296,821,097	9,404,533,561
03	Provisions	101,538,932,165	(22,349,494,578)
	Losses on disposal of fixed assets	29,885,924	34,000,000
05	Profits from investing activities	(166,719,690,615)	(278,684,000,000)
	Income from "reverse repo" contracts	(16,067,875,605)	(35,698,643,036)
06	Interest expenses	173,486,179,610	43,879,565,752
08	Operating profit before changes in working capital	127,130,348,157	62,548,637,065
09	(Increase)/decrease in receivables	(735,955,387,618)	354,078,686,512
	Increase in trading securities	(428,824,519,369)	(369,094,800,000)
11	(Increase)/decrease in payables	386,035,732,586	(662,455,639,647)
12	Decrease in prepaid expenses	2,087,223,132	1,794,126,306
13	Interest paid	(183,502,777,779)	(44,000,000,000)
14	Business income tax paid	(33,676,875,934)	(26,739,705,418)
15	Other receipts from operating activities	-	1,347,776,116
16	Other payments on operating activities	(2,146,250,000)	(298,979,196)
20	Net cash flows from operating activities	(868,852,506,825)	(682,819,898,262)
II	CASH FLOWS FROM INVESTING ACTIVITIES		
21	Purchases of fixed assets and other long-term assets	(6,456,981,290)	(62,865,268,490)
22	Proceeds from disposals of fixed assets and other long-term assets	2,524,052	251,000,000
25	Investments in other entities	(1,541,389,391,373)	(183,393,965,649)
26	Proceeds from disposal of investments in other entities	38,623,200,000	772,642,000,000
27	Dividends and interest received	78,337,034,620	131,106,155,221
30	Net cash flows from investing activities	(1,430,883,613,991)	607,739,921,082
III	CASH FLOWS FROM FINANCING ACTIVITIES		
31	Capital contribution	-	500,000,000,000
33	Proceeds from issuance of bonds	3,200,000,000,000	-
34	Repayments of borrowing	(1,500,000,000,000)	-
36	Dividend paid	(278,584,238,030)	(501,510,000,000)
40	Net cash flows from financing activities	1,421,415,761,970	(1,510,000,000)
50	Net (decrease)/increase in cash and cash equivalents	(878,320,358,846)	(76,589,977,180)
60	Cash and cash equivalents at beginning of year	999,327,424,865	1,075,917,402,045
70	Cash and cash equivalents at end of year	121,007,066,019	999,327,424,865



**Hua Chi Hung**  
Chief Accountant



**Nguyen Ngoc Chung**  
Acting General Director  
Date

The notes on pages 77 to 99 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

### 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 2010, the Company had 300 employees (2009: 203 employees).

### 2. ACCOUNTING SYSTEM AND ACCOUNTING POLICIES

#### 2.1 Basis of preparation of 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 Company's fiscal year is from 1 January to 31 December.

## **SINGLE-ENTITY FINANCIAL STATEMENTS**

### FOR THE YEAR ENDED 31 DECEMBER 2010

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#### **2.3 Currency**

The financial statements are measured in Vietnamese dong and presented using 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 income statement.

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

#### **2.4 Form of records applied**

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

#### **2.5 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.

#### **2.6 Investments**

##### **(a) Short-term investments**

###### **Short-term investments in securities**

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 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.

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 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 Company'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 Company cannot recover its investments.

Post-acquisition interest income of held-to-maturity debt securities is recognised in the 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 Company is a founding shareholder, or strategic investor, or in which the Company 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).

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

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## SINGLE-ENTITY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

Post-acquisition interest income of held-to-maturity debt securities is recognised in the 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 Company is a founding shareholder, or strategic investor, or in which the Company 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).

### 2.7 Sale and repurchase agreements

Securities sold subject to repurchase agreements ("repo") are not deducted from assets in the balance sheet. Proceeds received from repo transactions are recorded as liabilities in the balance sheet. Differences between selling and repurchasing price is treated as deferred expenses and amortised to the 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 balance sheet. Cash paid for the "reverse repo" transactions are recorded as an assets in the balance sheet, as appropriate. Differences between purchasing and reselling price is treated as deferred income and amortised to the income statement over the life of the agreement using straight-line method.

### 2.8 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 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 income statement.

## 2.9 Borrowing costs

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

## 2.10 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 income statement when the Company'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.

## 2.11 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 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 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.

## 2.12 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

## **SINGLE-ENTITY FINANCIAL STATEMENTS**

### FOR THE YEAR ENDED 31 DECEMBER 2010

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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.

#### **2.13 Provisions**

Provisions are recognised when: the Company 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.

#### **2.14 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Company 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 Company. A provision for severance allowance is made for the estimated liability for employment termination as a result of services rendered by employees. Pursuant to Law on Social Insurance, effective from 1 January 2009, the Company is required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment scheme, the Company is no longer required to provide for the service period after 1 January 2009. However, provision for severance allowance as of 31 December 2010 is determined based on the employees' number of years of service up to 31 December 2008 and their average salary for the six-month period prior to the balance sheet date.

## 3. CASH AND CASH EQUIVALENTS

	31.12.2010	31.12.2009
	VND	VND
Cash at bank	52,991,267,831	22,098,482,557
Deposits for clearing settlement	65,852,217,000	77,327,782,323
Cash equivalents	-	898,359,609,250
	<b>118,843,484,831</b>	<b>997,785,874,130</b>

## 4. SECURITIES INVESTMENTS

	31.12.2010				
	Book value	Compared to market value		Market value	Provision
		Increase	Decrease		
	VND	VND	VND	VND	VND
(a) Short-term investments	1,167,950,092,170	<b>97,079,497,804</b>	(189,595,135,662)	1,075,434,454,312	(189,595,135,662)
- Listed equity securities (*)	890,777,086,061	539,921,747	(187,393,727,330)	703,923,280,478	(187,393,727,330)
- Unlisted equity securities (**)	128,650,723,609	96,025,019,324	(2,201,408,332)	222,474,334,601	(2,201,408,332)
- Bonds	4,973,600,000	514,556,733	-	5,488,156,733	-
- Other short-term investments (***)	143,548,682,500	-	-	143,548,682,500	-
(b) Long-term investments	2,121,211,157,022	-	(33,195,972,323)	2,088,015,184,699	(33,195,972,323)
- Investment in subsidiaries	50,000,000,000	-	-	50,000,000,000	-
- Available-for-sale securities		-			
+ Unlisted equity investment (**)	4,221,960,000		-	4,221,960,000	-
- Other long-term investments		-			
+ Listed equity securities	1,293,590,371,646	-	-	1,293,590,371,646	-
+ Unlisted equity securities	773,398,825,376		(33,195,972,323)	740,202,853,053	(33,195,972,323)
	<b>3,289,161,249,192</b>	<b>97,079,497,804</b>	<b>(222,719,107,985)</b>	<b>3,163,449,639,011</b>	<b>(222,791,107,985)</b>

## SINGLE-ENTITY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

	31.12.2009				
	Book value	Compared to market value		Market value	Provision
		Increase	Decrease		
	VND	VND	VND	VND	VND
(a) Short-term investments	739,125,572,801	<b>112,578,772,440</b>	(100,252,175,820)	751,452,169,421	(100,252,175,820)
- Listed equity securities (*)	628,767,717,149	6,882,772,440	(98,069,290,168)	537,581,199,421	(98,069,290,168)
- Unlisted equity securities (**)	110,357,855,652	105,696,000,000	(2,182,885,652)	213,870,970,000	(2,182,885,652)
(b) Long-term investments	616,377,965,649	<b>66,231,329,726</b>	(21,000,000,000)	661,609,295,375	(21,000,000,000)
- Investment in subsidiaries	50,000,000,000				-
- Available-for-sale securities		58,209,605,726	-	163,538,256,000	
+ Listed equity investment (*)	105,328,650,274	8,021,724,000	-	12,243,684,000	-
+ Unlisted equity investment (**)	4,221,960,000				-
- Other long-term investments		-	(21,000,000,000)	435,827,355,375	
+ Unlisted equity securities	456,827,355,375		(121,252,175,820)	1,413,061,464,796	(21,000,000,000)
	<b>1,355,503,538,450</b>	<b>178,810,102,166</b>	<b>(121,252,175,820)</b>	<b>1,413,061,464,796</b>	<b>(121,252,175,820)</b>

(\*) 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 Phu Hung Securities Company.

(\*\*\*) Other short-term investment represents the stock purchase right of subscription.

## 5. TRADE ACCOUNTS RECEIVABLE

	31.12.2010	31.12.2009
	VND	VND
Receivables from disposal of investments	555,497,064,800	34,924,092,070
Brokerage fees receivable from other customers	924,435,784	1,449,110,014
	<b>556,421,500,584</b>	<b>36,373,202,084</b>

**6. OTHER RECEIVABLES**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>VND</b>	<b>VND</b>
Receivable from short-term "reverse repo" contracts (*)	79,415,000,000	84,916,900,000
Accrued interest receivables from short-term "reverse repo" contracts	35,062,857,000	12,988,608,153
Dividend receivable	105,960,884,976	167,322,126
Deposit for bidding	3,244,519,000	318,713,110
Other receivables (**)	256,496,806,286	1,676,764,481
	<b>480,180,067,262</b>	<b>100,068,307,870</b>

(\*) Cash paid to customers for reverse repo contracts which will be matured within one year. Average interest rate applied to these contracts was 0.9%/month. These contracts will expire in 2011.

(\*\*) The balances represent the amount paid to third parties for securities trading activities. The Company earns fix interest on paid amount with the average interest rate from 14.4% pa to 19% pa.

**7. OTHER CURRENT ASSETS**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>VND</b>	<b>VND</b>
Advances	-	52,620,000
Short-term deposits	40,000,000	40,000,000
	<b>40,000,000</b>	<b>92,620,000</b>

**8. LONG-TERM RECEIVABLES**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>VND</b>	<b>VND</b>
Receivable from long-term "reverse repo" contracts (*)	44,470,000,000	79,415,000,000
Accrued interest receivables from long-term "reverse repo" contracts	2,107,878,000	26,366,914,500
	<b>46,577,878,000</b>	<b>105,781,914,500</b>

(\*) 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 2012.

## SINGLE-ENTITY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 9. FIXED ASSETS

##### (a) Tangible fixed assets

	Buildings	Office equipments	Motor vehicles	Management equipments	Other tangible fixed assets	Total
	VND	VND	VND	VND	VND	VND
<b>HISTORICAL COST</b>						
At 1 January 2010	62,837,521,895	20,373,819,377	5,988,089,009	342,683,014	1,637,296,803	91,179,410,098
New purchases	-	-	-	4,417,085,763	120,586,543	4,537,672,306
Reclassification	(616,000,000)	-	-	-	616,000,000	-
Disposals	-	(212,895,188)	-	-	-	(212,895,188)
At 31 December 2010	62,221,521,895	20,160,924,189	5,988,089,009	4,759,768,777	2,373,883,346	<b>95,504,187,216</b>
<b>ACCUMULATED DEPRECIATION</b>						
At 1 January 2010	3,801,212,248	11,371,027,982	2,672,463,757	81,538,064	777,286,511	18,703,528,562
Charge for the year	2,511,447,539	5,195,131,354	941,077,423	629,822,014	691,202,659	9,968,680,989
Disposals	-	(180,485,212)	-	-	-	(180,485,212)
Reclassification	(39,013,333)	-	-	-	39,013,333	-
At 31 December 2010	6,273,646,454	16,385,674,124	3,613,541,180	711,360,078	1,507,502,503	<b>28,491,724,339</b>
<b>Net book value</b>						
At 1 January 2010	59,036,309,647	9,002,791,395	3,315,625,252	261,144,950	860,010,292	72,475,881,536
At 31 December 2010	55,947,875,441	3,775,250,065	2,374,547,829	4,048,408,699	866,380,843	<b>67,012,462,877</b>

Historical costs of tangible fixed assets fully depreciated and still in use VND9,879,022,888 (2009: VND1,039,000,000).

##### (b) Intangible fixed assets

	Computer software
	VND
<b>Historical cost</b>	
At 1 January 2010	504,519,000
New purchases	1,919,308,984
At 31 December 2010	<b>2,423,827,984</b>
<b>Accumulated amortisation</b>	
At 1 January 2010	122,973,609
Charge for the year	319,702,440
At 31 December 2010	<b>442,676,049</b>
<b>Net book value</b>	
At 1 January 2010	381,545,391
At 31 December 2010	<b>1,981,151,935</b>

**10. LONG-TERM PREPAYMENTS**

	31.12.2010	31.12.2019
	VND	VND
At 1 January	5,546,986,339	7,206,000,000
Additions	315,117,954	2,416,477,841
Amortisation for the year	(2,567,375,639)	(4,075,491,502)
At 31 December	<b>3,294,728,654</b>	5,546,986,339

**11. DEFERRED INCOME TAX ASSET**

	31.12.2010	31.12.2009
	VND	VND
Deferred income tax asset recognised on deductible temporary differences	<b>5,250,000,000</b>	5,250,000,000

	31.12.2010	31.12.2009
	VND	VND
Beginning of balance	5,250,000,000	-
Credited to the income statement	-	5,250,000,000
Ending of balance	<b>5,250,000,000</b>	5,250,000,000

**12. OTHER LONG TERM ASSETS**

	31.12.2010	31.12.2009
	VND	VND
Long-term mortgages deposits	1,245,164,400	1,098,914,400
Others	-	865,689,484
	<b>1,245,164,400</b>	<b>1,964,603,884</b>

**13. BORROWINGS**

## (a) Short term borrowing

	31.12.2010	31.12.2009
	VND	VND
Bond issuance on due date	-	500,000,000,000

## SINGLE-ENTITY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### (b) Long term borrowing

	31.12.2010	31.12.2009
	VND	VND
Bond issuance	2,200,000,000,000	-

As at 31 December 2010, Company issued 32,000,000 (thirty two million) bonds at nominal value of VND100,000 per bond and with coupon rates from 11.4% per annum to 14.3% per annum. During the year, 10,000,000 (ten million) bonds have been repaid before maturity date. All bonds will be expired in 2012 and 2013.

#### 14. TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	31.12.2010	31.12.2009
	VND	VND
VAT on domestic sales	-	54,449,316
Business income tax – current	-	32,134,773,494
Personal income tax	1,018,904,186	559,668,715
Other taxes	18,232,108,458	664,844,874
	<b>19,251,012,644</b>	<b>33,413,736,399</b>

#### 15. ACCRUED EXPENSES

	31.12.2010	31.12.2009
	VND	VND
Accrued interest expenses on bonds	26,268,333,338	36,284,931,507
Fee payables to Securities Stock Exchanges	2,549,225,906	1,462,902,830
Agency commission fee payables to Parent Bank (Note 24(b))	1,165,414,078	3,650,256,064
Others	-	1,732,926,395
	<b>30,020,837,322</b>	<b>43,131,016,796</b>

**16. OTHER PAYABLES**

	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>VND</b>	<b>VND</b>
Social insurance, health insurance, union fee	35,316,590	58,613,499
Deferred income	3,030,303	243,793,001
Dividends payable to Parent Bank	18,801,211,131	-
Other payables (*)	320,514,003,798	1,752,118,100
	<b>339,353,561,822</b>	<b>2,054,524,600</b>

(\*) Including in other payables as at 31 December 2010, there were deposits from third parties to secure the settlement for securities trading activities.

**17. MOVEMENTS IN OWNER'S EQUITY**

	<b>Owner's capital</b>	<b>Undistributed earnings</b>	<b>Financial reserve funds</b>	<b>Investment and development funds</b>	<b>Total</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
At 1 January 2009	1,000,000,000,000	9,628,834,404	55,491,607,927	34,869,207,045	1,099,989,649,376
Increase in owner's capital	500,000,000,000	-	-	-	500,000,000,000
Net profit for the year	-	317,151,627,864	-	-	317,151,627,864
Appropriation to reserves	-	(31,715,162,786)	15,857,581,393	15,857,581,393	-
Profit transferred to Parent Bank	-	(17,706,305,049)	-	-	(17,706,305,049)
At 31 December 2009	1,500,000,000,000	277,358,994,433	71,349,189,320	50,726,788,438	1,899,434,972,191
Net profit for the year	-	22,266,574,870	-	-	22,266,574,870
Appropriation to reserves	-	(2,104,133,128)	1,052,066,564	1,052,066,564	-
Profit transferred to Parent Bank	-	(297,385,449,161)	-	-	(297,385,449,161)
At 31 December 2010	1,500,000,000,000	135,987,014	72,401,255,884	51,778,855,002	<b>1,624,316,097,900</b>

**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.

## SINGLE-ENTITY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 18. REVENUE FROM INVESTING ACTIVITY

	For the year ended 31 December	
	2010	2009
	VND	VND
Gain on trading short-term investments	51,962,362,759	32,164,000,000
Gain on disposal of available-for-sale investments	2,067,000,000	126,630,000,000
Gain on disposal of other long term investments	-	75,404,000,000
Gain from right subscription	99,379,732,500	-
Dividend income	165,877,934,212	76,650,000,000
Interest income from investments in bonds	-	2,335,977,797
	<b>319,287,029,471</b>	<b>313,183,977,797</b>

#### 19. OTHER OPERATING INCOMES

	For the year ended 31 December	
	31,12,2010	31,12,2009
	VND	VND
Interest income from term deposits at banks	25,755,499,716	27,173,195,966
Interest income from demand deposits at banks	6,297,948,651	5,424,728,634
Income from "reverse repo" contracts	16,067,875,605	35,698,643,036
Advance revenue on T-day	1,275,866,252	57,294,081
Internal revenue	1,813,576,682	1,873,572,327
Others	26,016,269,803	135,301,720
	<b>77,227,036,709</b>	<b>70,362,735,764</b>

#### 20. OPERATING EXPENSES

	For the year ended 31 December	
	2010	2009
	VND	VND
Brokerage fees	20,861,666,249	20,861,666,249
Securities trading expenses	81,247,911,401	37,936,516,253
Custody expenses	6,029,403,937	2,010,514,108
Reversal/additional charge of provisions	101,538,932,165	(22,349,494,578)
Interest expenses on bonds	173,486,179,610	43,879,565,752
Staff costs	30,482,480,915	19,409,638,242
Depreciation and amortisation	5,191,937,856	3,849,592,894
Other direct securities trading expenses	17,577,291,617	16,201,191,171
	<b>436,415,803,750</b>	<b>135,417,133,707</b>

**21. GENERAL AND ADMINISTRATIVE EXPENSES**

	For the year ended 31 December	
	2010	2009
	VND	VND
Depreciation and amortisation	5,096,445,573	5,547,909,277
Staff cost	14,207,187,143	14,775,268,741
Materials, stationery	170,589,417	754,980,624
Tools	600,268,510	394,525,583
Tax and other related fees	119,877,000	37,424,000
Expenses for outside services rendered	9,961,206,190	8,594,153,586
Other expenses	6,073,760,441	6,423,993,654
	<b>36,229,334,274</b>	<b>36,528,255,465</b>

**22. NET OTHER EXPENSES**

	For the year ended 31 December	
	2010	2009
	VND	VND
Other income		
Gain on disposal of fixed assets	500,000	
Others	128,516,864	230,628,679
	<b>129,016,864</b>	<b>230,628,679</b>
Other expenses		
Loss on disposal of fixed assets		
Others	30,385,924	34,000,000
	2,417,763,100	360,800,489
Net other expenses	2,448,149,024	394,800,489
	<b>(2,319,132,160)</b>	<b>(164,171,810)</b>

**23. TAXATION**

	For the year ended 31 December	
	2010	2009
	VND	VND
Business income tax – current	945,724,346	32,466,584,340
Deferred income tax – deferred (Note 11)	-	(5,250,000,000)
	<b>945,724,346</b>	<b>27,216,584,340</b>

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.

## SINGLE-ENTITY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 23. TAXATION (continued)

	For the year ended 31 December	
	2010	2009
	VND	VND
Net accounting profit before tax	<b>23,212,299,216</b>	<b>344,368,212,204</b>
Tax (at regulated tax rates of 25%)	5,803,074,804	68,873,642,441
Adjustment:		
Tax on income not subject to tax	(41,469,483,553)	(15,329,949,362)
Tax on expenses not deductible for tax purposes	311,507,347	76,193,098
Tax losses for which no deferred income tax asset was recognised	35,354,901,402	-
Impact of change in tax rates	-	(1,050,000,000)
Underprovision/(overprovision) in previous year	945,724,346	(8,007,335,984)
Favourable tax treatment on income	-	(17,345,965,853)
Business income tax charge (*)	<b>945,724,346</b>	<b>27,216,584,340</b>

(\*) 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 2009 and 2010 have not yet been finalised by the Tax Authority.

#### 24. RELATED PARTY TRANSACTIONS

The Company is controlled by Asia Commercial Joint Stock Bank ("Parent 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:

##### i) Sales of goods and services

	For the year ended 31 December	
	2010	2009
	VND	VND
Parent Bank		
Income from brokerage activities	382,715,700	521,726,712
Income from trading securities (*)	-	13,986,000,000
Income from consultant activities	431,818,182	180,909,091
Income from cash advance on T-day	1,275,866,252	57,294,081
Interest income on deposits at banks	25,416,253,639	31,573,310,797
Other income	1,813,576,682	2,453,371,827
	<b>29,320,230,455</b>	<b>48,772,612,508</b>

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

**24. RELATED PARTY TRANSACTIONS (continued)****(a) Related party transactions (continued)**

## ii) Purchases of goods and services

	For the year ended 31 December	
	2010	2009
	VND	VND
Agency commission fee paid to Parent Bank	6,647,843,805	17,393,813,456
Entrust fee	99,727,411	63,882,785
Purchase of tools	338,254,420	-
Fee paid to Parent Bank	35,500,000	-
Fee paid to fellow subsidiaries	2,940,475,786	2,117,555,128
	<b>10,061,801,422</b>	<b>19,575,251,369</b>

## iii) Sales of fixed assets

	For the year ended 31 December	
	2010	2009
	VND	VND
Sales of fixed assets to Parent Bank	-	<b>223,811,403</b>

## iv) Purchases of fixed assets

	For the year ended 31 December	
	2010	2009
	VND	VND
Purchases of fixed assets from Parent Bank	<b>725,503,146</b>	-

## v) Financing activities

	For the year ended 31 December	
	2010	2009
	VND	VND
Gross salaries and other benefits	<b>3,621,360,290</b>	<b>3,977,483,860</b>

## SINGLE-ENTITY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### vi) Financing activities

	For the year ended 31 December	
	2010	2009
	VND	VND
Profit transferred to Parent Bank	297,385,449,161	17,706,305,049
Dividend from Subsidiary	1,225,243,597	-
Capital contribution from Parent Bank	-	500,000,000,000
Repayment of capital advance to Parent Bank	-	(100,000,000,000)

#### vii) Entrusted investment activities

	For the year ended 31 December	
	31.12.2010	31.12.2009
	VND	VND
Entrusted investments to Parent Bank	225,500,000,000	1,235,789,613

#### (b) Year end balances with related parties

	31.12.2010	31.12.2009
	VND	VND
Cash and cash equivalents (Note 3)		
Deposits at Parent Bank	118,566,226,798	816,030,098,454
Securities investments (Note 4)		
Investments in ACB Capital Investment Management Ltd	50,000,000,000	50,000,000,000
Securities investments (Note 4)		
Entrusted investment at Parent Bank	372,499,335,375	146,999,335,375
Payable expenses (Note 16)		
Agency commission fee payable to Parent Bank	1,165,414,078	3,650,256,064
Other payables (Note 17)		
Dividends payable to Parent Bank	18,801,211,131	-

## 25. COMMITMENTS UNDER OPERATING LEASES

The Company is leasing the office building under operating lease contracts. As at 31 December 2010, the future minimum lease payments under non-cancellable operating leases are as follows:

	31.12.2010	31.12.2010
	VND	VND
Within one year	7,219,314,882	4,856,452,479
Between one and five years	14,184,805,529	12,047,289,683
Over five years	1,278,262,135	2,617,608,406
<b>Total minimum payments</b>	<b>22,682,382,546</b>	<b>19,521,350,568</b>

## 26. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified to conform with the current year's presentation in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing regulations applicable to fund management companies operating in SR Vietnam.

The financial statements were approved by the Board of Directors on 30 March 2011.



**Hua Chi Hung**  
Chief Accountant



**Nguyen Ngoc Chung**  
Acting General Director

## BRANCH

### AND TRANSACTION OFFICE NETWORK

1. HEAD OFFICE OF ACBS

107N Truong Dinh, Ward 6, District 3, HCM City  
Tel: (08) 54.043.054 / Fax: (08) 54.043.085

2. LE NGO CAT BRANCH

9 Le Ngo Cat, Ward 7, District 3, HCM City  
Tel: (08) 39.302.428 – (08) 39.302.427 – (08) 39.302.426  
(08) 39.302.425 / Fax: (08) 39.330.427

3. THI NGHE BRANCH

2bis Nguyen Thi Minh Khai, District 1, HCM City  
Tel: (08) 54.046.636 – (08) 54.046.634 – (08) 54.046.635  
(08) 54.046.638 – (08) 54.046.639 – (08) 54.046.641  
Fax: (08) 54.046.648

4. SAI GON BRANCH

30 Mac Dinh Chi, Ward Đa Kao, District 1, HCM City  
Tel: (08) 39.107.383 – (08) 39.107.380 – (08) 39.107.381  
Fax: (08) 39.107.382

5. TAN BINH BRANCH

29 Ly Thuong Kiet, Ward 7, Tan Binh District, HCM City  
Tel: (08) 39.717.067 – (08) 39.717.066  
(08) 39.717.068 – (08) 39.717.069  
Fax: (08) 39.717.081

6. CHO LON BRANCH

747 Hong Bang, District 6, HCM City  
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 – (031) 3.569.995  
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 – (04) 39.429.396  
(04) 39.429.405 – (04) 39.429.237 – (04) 39.427.395  
Fax: (04) 39.429.407 – (04) 39.429.656 – (04) 39.364.373

10. PHAN CHU TRINH BRANCH

57B Phan Chu Trinh, Hoan Kiem District, Ha Noi City  
Tel: (04) 39.334.780 – (04) 39.334.781 – (04) 39.334.782  
Fax: (04) 39.334.785

11. VUNG TAU BRANCH

467-469 Nguyen Anh Ninh, Ward 9, Vung Tau City  
Tel: (064) 3.597.100  
Fax: (064) 3.597.105

12. CAN THO BRANCH

17-19 Nam Ky Khoi Nghia, Tan An Ward, Can Tho City  
Tel: (0710) 3.783.638  
Fax: (0710) 3.817.131

13. KHANH HOA BRANCH

80 Quang Trung, Loc Tho, Nha Trang, Khanh Hoa  
Tel: (058) 3.522.762  
Fax: (058) 3.528.188

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|---|---|
| <b>14. QUANG NINH BRANCH</b><br>747-749 Le Thanh Tong, Bach Dang, Ha Long, Quang Ninh<br>Tel: (033) 3.818.808 - (033) 3.818.299<br>Fax: (033) 3.818.881 - (033) 3.818.882 | <b>20. CHAU VAN LIEM TRANSACTION OFFICE</b><br>130 -132 Chau Van Liem, Ward 11, District 5, HCM City<br>Tel: (08) 39.508.450<br>Fax: (08) 39.508.452                                    |
| <b>15. PHAN DINH PHUNG TRANSACTION OFFICE</b><br>164-166 Phan Dinh Phung,<br>Phu Nhuan District, HCM City<br>Tel: (08) 39.956.470<br>Fax: (08) 39.956.468                 | <b>21. CONG HOA TRANSACTION OFFICE</b><br>463 - 465 Cong Hoa,<br>Ward 15, Tan Binh District, HCM City<br>Tel: (08) 38.105.518<br>Fax: (08) 38.130.763                                   |
| <b>16. BINH HOA 2 TRANSACTION OFFICE</b><br>256 No Trang Long, Ward 12, Binh Thanh District, HCM City<br>Tel: (08) 62.978.612<br>Fax: (08) 62.978.613                     | <b>22. NGUYEN VAN TROI TRANSACTION OFFICE</b><br>23-25 Nam Ky Khoi Nghia, Phu Nhuan District, HCM City<br>Tel: (08) 38.458.479<br>Fax: (08) 38.443.279                                  |
| <b>17. PHU THO TRANSACTION OFFICE</b><br>455 To Hien Thanh,<br>District 10, HCM City<br>Tel: (08) 38.638.467<br>Fax: (08) 38.636.240                                      | <b>23. NGUYEN THI MINH KHAI TRANSACTION OFFICE<br/>(ACB HCM Head Office)</b><br>442 Nguyen Thi Minh Khai, Ward 05, District 3, HCM City<br>Tel: (08) 38.344.527<br>Fax: (08) 38.343.981 |
| <b>18. GO VAP TRANSACTION OFFICE</b><br>626A Quang Trung, Go Vap District, HCM City<br>Tel: (08) 35.891.677<br>Fax: (08) 35.895.694                                       | <b>24. LE VAN SY TRANSACTION OFFICE</b><br>318 Le Van Sy, Ward 01, Tan Binh District, HCM City<br>Tel: (08) 39.916.498<br>Fax: (08) 39.916.712  |
| <b>19. PHU LAM TRANSACTION OFFICE</b><br>391A Kinh Duong Vuong, Ward 12, District 6, HCM City<br>Tel: (08) 38.779.813<br>Fax: (08) 38.779.814                             | <b>25. TRUONG CONG DINH (VUNG TAU) TRANSACTION OFFICE</b><br>31 Truong Cong Dinh, Ward 01, Vung Tau City<br>Tel: (064) 3.543.234<br>Fax: (064) 3.533.284                                |

**ACB SECURITIES COMPANY**

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

Tel: (08) 54 043 054

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