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ANNUAL REPORT
2012
SAIGON SECURITIES INC. (SSI)

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CHAIRMAN
MESSAGES

An organization can only firmly face all headwinds if it is rooted in solid foundations, it has secured strong connections and solidly engages in sustainable development. SSI has become such an organization, as we are prepared to act together with our stakeholders and to become a destination for domestic and international talented human resources.

Dear fellow shareholders,

2012 marked another difficult year for both local and global domestic economies and markets. Vietnam experienced significant fluctuations, and macroeconomic imbalances were gradually exposed after long period setbacks from the European sovereign debt crisis. Issues such as bad debts in the banking system and inefficiencies among SOEs and public investments continued to plague the financial system. The Government continued to prioritize economic stability over growth. Accordingly, 2012 GDP growth rate was again reduced to 5% from 5.9% in 2011. Curbing inflation partially cooled economic growth, resulting in a one-digit inflation rate of 6.81% (compared to 18.13% in 2011), a trade surplus and a slightly appreciated Vietnamese Dong.

In the midst of policy shifts and economic volatility, the Vietnamese stock market in 2012 experienced many fluctuations. Talks about interest rate cut helped the market to a steady rise in the first four months of 2012. The VN-Index peaked at 488 points on 08 May 2012. Yet, shocks in the banking system and securities market quickly eroded investors' confidence, causing a 23% drop of the VN-Index to 375.06 on 02 November 2012. In December, positive announcements from the Government supported a rally and a sharp rise towards the end of the year. The VN-Index concluded 2012 increasing by 17.7% with improved liquidity. Heavily impacted by unpredictable market fluctuations, many securities companies stood the test of sustainable financial capability and transparent corporate governance; several had to scale down their operation or even worst declare bankruptcy. Economic instability and poor corporate performance rattled both domestic and foreign investors' confidence.

In that context, with strong financial capabilities, effective risk control and cost management, professional staff and especially, continued trust from our customers and investors, SSI maintained its leading position in the market with remarkable achievements. SSI's 2012 revenues reached VND 849.29 billion, increasing 0.15% YoY; net profit before tax rose 285% to VND 487.2 billion. To shelter our clients' interests, SSI maintained a conservative policy by accepting some loss of market share in retail investor trading but still maintaining the leading market share of over 30% in foreign investor trading segment. Our client base continuously expanded, to about 60,000 investor accounts currently, with nearly 100 new local and foreign institutional clients, with 60% of the new accounts already actively trading. Under all market conditions, SSI focused on ensuring capital adequacy, liquidity and complete asset protection for our clients. In 2012, the Treasury and Investment departments of SSI earned VND 353.8 billion, exceeding their targets and contributing 41% to total revenues.

In November 2012, SSI Vision Fund (SSIVF) was liquidated. Established during a period of prosperous economic growth and after 5 years of successful operation, SSVF returned nearly 90% of initial invested capital (including dividends). SSIAM was awarded "The Best Asset Management Company 2012" by The Asset and "Best Fund House 2012" by Asia Asset Management; together with its CEO – Ms. Le Thi Le Hang to be named the "CEO of the Year" by Asia Asset Management. SSIAM, who represented SSI on the Board of Directors of 8 affiliated companies of 9 affiliated companies, has actively coordinated with their management in mapping out sustainable long-term development strategies over short-term interests.



As the first securities company in Vietnam, SSI has experienced all the ups and downs of the market. With the role of an advisor, a financier, a market maker and an asset manager, we fully understand that an organization can only withstand market turbulences with strong roots, tight connections and sustainable growth. SSI has become a destination for talented individuals who wish to commit to the long - term development of the company. Developing staff with potentials into talented staff and creating opportunities for staff have been and will continue to be the human resource development strategy at SSI. Our approach has always been to bring great benefits by focusing on the development of the environment and society. 2012 was a year in which SSI strictly complied with the tax regulation of the Government; SSI maintained a ranking among the Top 10 listed companies that strictly comply with transparent information disclosures requirements. We pay particular attention to giving back, to contribute to investment in education and reducing poverty in mountainous and minority communities. SSI commits to build an honest, modern, safe and confidential working environment, as well as to design satisfactory and competitive remuneration for SSI's staff members.

In 2013, we believe that the world economy will continue to face various challenges and a strong rebound in the economy will be unlikely. The risks of 2012 remained, namely non-performing loans, inefficiencies among the SOEs, depressed demand, inflationary risk, budget deficit and oversupply in the real estate market. However, if restructuring of the banking system and reforms in the SOE and public investment sectors are fully undertaken positive consequences would result and would enhance investors' confidence and improve conditions of the stock markets.

We will support our affiliated companies to fully employ their strengths for rapid and sustainable growth. Utilizing advantages of the Vietnamese market, for instance, low labor costs, diverse demand, a growing dynamic population, urbanization and rising income as well as increasing domestic retail turnover from 50% of GDP in 2000 to 78% of GDP in 2012, SSI and its affiliated companies have proactively mapped out development plans for the forthcoming years. Accordingly, in addition to asserting positions in the export markets, our affiliated companies will focus on exploiting potentials in the domestic market, improving efficiency of the production process and value chain, ensuring quality and diversity of products to satisfy the ever-growing domestic consumption needs.

Fully aware of forthcoming challenges, with 2013 message "**Support and grow with our stakeholders**", we have well prepared ourselves to face challenges and realize opportunities for the strong growth of SSI, within a sustainable development of Society and the Community.

On behalf of the Board of Directors, I would like to express sincere thanks to our valued Shareholders, Clients, Partners and the Authorities who have always supported SSI in the past years. I am also grateful to our employees for all their dedication, creativity and effort in helping SSI to overcome all the difficulties and challenges and to build a Corporation of greater strength.

On behalf of SSI employees, I oblige to further service the best interests of our valued Shareholders, Clients and Partners, while making further contributions to the greater development of Society and the Community.

Warmest regards,

Ho Chi Minh City 10/04/2013
Chairman cum CEO

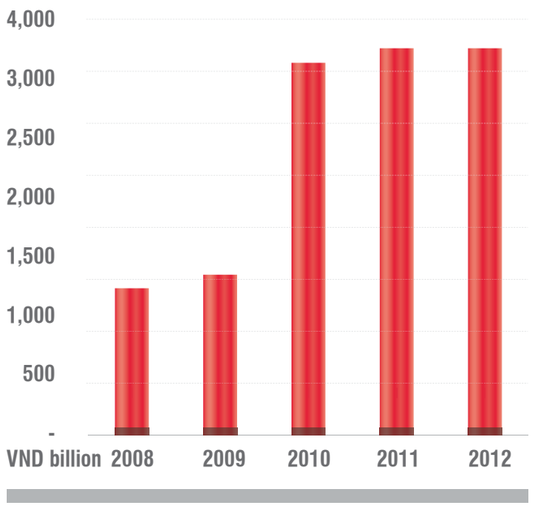


Nguyen Duy Hung

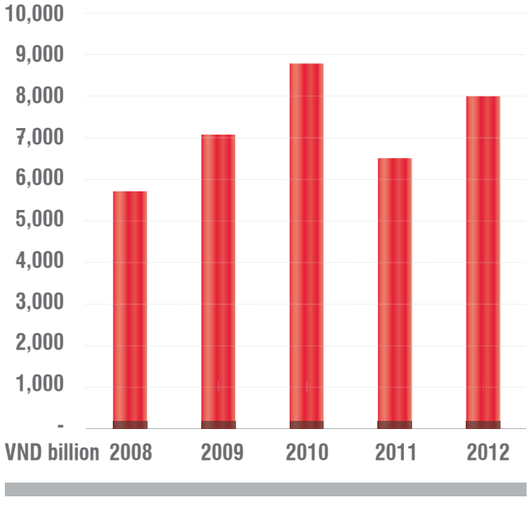
2012 FINANCE HIGHLIGHTS

BUSINESS OPERATION RESULTS	2010	2011	2012
Net revenue (VND)	1,503,616,689,880	848,042,922,890	849,294,221,184
Net profit from operating activities (VND)	899,895,527,639	163,330,324,796	376,778,240,068
Profit before tax (VND)	902,819,486,257	126,604,379,877	487,258,631,205
Profit after tax (VND)	689,469,002,878	82,753,235,555	465,492,437,791
BALANCE SHEET	**2010**	**2011**	**2012**
Total assets (VND)	8,792,894,565,983	6,507,513,198,854	7,980,875,901,875
Chartered capital (VND)	3,511,117,420,000	3,526,117,420,000	3,526,117,420,000
Weighted average of total stocks in the market	350,711,972	348,408,905	349,577,749
Total equity (VND)	5,459,312,028,182	5,080,665,298,616	5,191,573,047,865
OTHERS	**2010**	**2011**	**2012**
Asset Structure			
Short-term assets/Total assets	72.40%	49.54%	60.61%
Long-term assets/Total assets	27.60%	50.46%	39.39%
Capital Structure			
Total liabilities/ Total assets	37.08%	20.75%	34.95%
Total owners' equity/ Total assets	62.09%	78.07%	65.05%
PROFIT RATIOS	**2010**	**2011**	**2012**
Profit after tax/Total assets (ROA)	7.84%	1.27%	5.83%
Profit after tax/Total equity (ROE)	12.63%	1.63%	8.97%
Profit after tax/Chartered capital	19.64%	2.35%	13.20%
Profit after tax/Net revenue	45.85%	9.76%	54.81%
Earnings per share (EPS) (VND)	1,982	227	1,328

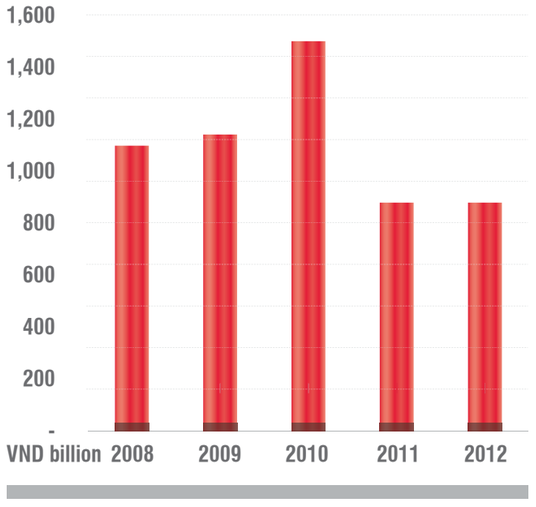
Chartered Capital



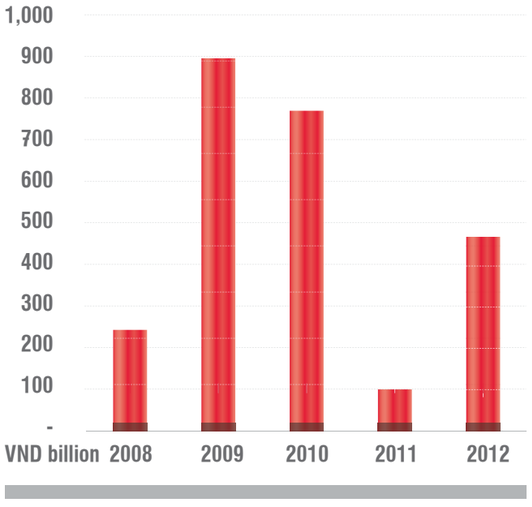
Total Assets



Net revenue



Profit after Tax



SSI OVERVIEW

12 years - A period for experiencing and developing



VISION
MISSION
CORE VALUES

VISION: THE BUSINESS OF SUCCESS

SSI operates based on the vision “The Business of Success”.

At the heart of all our products and services is a drive for achieving success. We help unlock opportunities in financial markets, and turn these into prosperity and growth.

We put all our resources and ideas behind bringing success to our clients, our people, our shareholders and the communities we operate in.

MISSION: CONNECTING CAPITAL TO OPPORTUNITIES

SSI’s mission is to connect capital to opportunities.

This mission unifies all the businesses under the SSI brand and will guide any future opportunities, which the brand may take on.

CORE VALUES

Solutions-Led: We are focused on the outcome of making our customers successful, and we prioritize their individual needs over existing products or processes.

Skilled: We are experts in our industry and in our markets, and will continually enhance our professional skills to provide the highest standards of service to our customers.

Inventive: We empower and encourage our people to find creative new ways to bring success to SSI and its customers.



HISTORY

1999 - 2000

30/12/1999: SSI was founded with its head office based in Ho Chi Minh City, with two main operations: Brokerage Services & Investment Advisory. Initial charter capital was VND 6 billion.

07/2000: Successfully advised the listing advisory of SAM (Sacom Development and Investment Corp) – one of first two listed companies in the Vietnamese Stock Market.

2001

02/2001: Charter capital was raised to VND 9 billion.

07/2001: Successfully advised the listing advisory and capital raising for Refrigeration Electrical Engineering Corp (REE). This is the first capital raising activity through the Vietnam Stock Market.

07/2001: Charter capital was raised to VND 20,000,000,000 with 4 main operations: Investment Advisory, Brokerage Services, Principal Investment & Securities Depository.

2002

07/2002: SSI established its first branch in Hanoi, expanding its networks to Northern areas.

2004

04/2004: Charter capital was raised to VND 23 billion.

2005

02/2005: Charter capital was raised to VND 26 billion with 5 main operations: Investment Advisory, Brokerage Services, Principal Investment, Securities Depository and Investment Portfolio Management.

03/2005: Successful advised VSH's IPO (Vinh Son – Song Hinh Hydropower JSC) – first hydropower company IPO in the Vietnamese Stock Market. First IPO with repo service.

06/2005: SSI raised charter capital to VND 52 billion with 6 operations including Underwriting Service.

2006

02/2006: Charter capital was raised to VND 120 billion.

05/2006: Charter capital was raised to VND 300 billion.

09/2006: Charter capital was raised to VND 500 billion.

11/2006: Successfully advised the issuance of the first convertible bond in the Vietnamese Stock Market of SSI, introducing a new funding vehicle for public companies other than issuing common shares.

12/2006: SSI's stock was listed on the Hanoi Securities Trading Center.

2007

04/2007: Successfully advised the listing of DPM (Petrovietnam Fertilizer & Chemical JSC), first IPO with largest auction of shares since the Vietnamese Stock Market inaugurated in 2007.

06/2007: Successfully advised the biggest private placement of a private enterprise for MPC (Minh Phu Seafood Corp).

07/2007: ANZ became Strategic Shareholder of SSI.

07/2007: Charter capital was raised to VND 799 billion.

08/2007: SSI Asset Management (SSIAM), a subsidiary of SSI, was founded.

10/2007: SSI was officially listed on the Ho Chi Minh City Trading Center (now known as Ho Chi Minh City Stock Exchange).

11/2007: Established SSI Vision Fund - a closed-end member fund with a total initial investment capital of VND 1,700 billion – it was also the largest local fund and among the top 10 biggest value investment funds on the market.

2008

03/2008: Charter capital was raised to VND 1,199 billion.

04/2008: Charter capital was raised to VND 1,366 billion.

06/2008: Daiwa became Strategic Shareholder of SSI.

12/2008: Successfully advised the biggest auction in 2008 for Vietnam Bank for Industry and Trade (VietinBank).

2009

01/2009: Charter capital was raised to VND 1,533 billion.

07/2009: SSIAM became the first company to have a license to invest outside of Vietnam.

09/2009: SSI officially changed its branding with new look and vision.

10/2009: Successful advised the biggest convertible bond issuance in 2009 of HAG (Hoang Anh Gia Lai Joint Stock Company)

11/2009: "Gateway to Vietnam" Conference, co-hosted by SSI and Euromoney, successfully introduced to hundreds of local and foreign investors investment opportunities in Vietnam.

11/2009: SSIAM and Daiwa SMBC Capital established DSCAP-SSIAM Vietnam Growth Investment Fund LLC - the first foreign fund in Vietnam.

2010

03/03/2010: Charter capital was raised to VND 1,755 billion.

03/2010: Successfully advised the first public tender offer in the Vietnamese Securities Market with Hung Vuong Fisheries JSC (HVG) launching a bid to acquire An Giang Fisheries Import & Export JSC (AGF).

05/2010: Charter capital was raised to VND 3,511 billion.

2011

05/2011: Along with Credit Suisse, SSI was the only domestic financial consultant for the successful issuance of 90 million USD of international bonds for Hoang Anh Gia Lai Joint Stock Company (HAG). This marks the first Vietnamese private enterprise to successfully mobilize capital on the international market.

07/2011: Successfully advised the listing of Petrolimex - the second largest IPO in 2011 in terms of capital.

2012

30/01/2012: Charter capital was raised to VND 3,526 billion.

06/2012: Continuous improvement in technology, in particular SSI became the only company in Vietnam whose network can connect to Bloomberg and Reuters based on in-house software.

11/2012: SSI Vision Fund (SSIVF) closed after 5 year in operation.

01/03/2013: Charter capital was raised to

3,537,949,420,000 VND

MAIN BUSINESS UNITS

SECURITIES SERVICES

- Basic products and services for listed stocks including: opening of trading accounts, brokerage, advisory, cash transactions, securities depository; consultancy and support for OTC transactions;
- Margin financing service and securities trading support for customers;
- E-trading services including: Smart Trading, Web Trading, Contact Center, SMS;
- Market Summary Reports, Industry Sector Analysis, Securities Analysis, Corporate Access and Investment Conferences and Seminars to introduce investment opportunities to both institutional and individual customers.

SSI ASSET MANAGEMENT (SSIAM)

- Fund Management: capital mobilization and management for onshore and offshore funds;
- Portfolio Management: Discretionary and Non-discretionary Portfolio Management for domestic/international institutions as well as individual customers;
- Investment Advisory: for institutional and individual, domestic and foreign customers;
- Strategy and asset management advisory.

INVESTMENT BANKING

- Corporate Finance Advisory: Business Valuation, Financial restructuring, Mergers and Acquisitions (M&A), Business spin-off and dissolutions ...;
- Capital raising advisory in domestic and foreign capital markets, including Equity and Debt Capital Market: Equitization advisory, Stock issuance advisory and underwriting (IPO and other issuances), Stock listing advisory, Corporate Restructuring advisory and Derivatives securities.

TREASURY & FINANCE TRADING

- Treasury management including investment and funding activities through term- deposits, trust accounts, bond repos, bond trading, fixed income instruments and other structured product transactions;
- Government Bond services including brokerage, auctions and underwriting services;
- Providing flexible structured products to optimize advantage in funding needs as well as investment capital on the market with optimal interest rates and with appropriate maturities.



REWARDS

COUNTRY AWARDS FOR ACHIEVEMENT
FinanceAsia

"Best Broker in Vietnam" for four consecutive years 2008 – 2009 – 2010 -2011.
"Best Equity House in Vietnam" for fours years 2008 – 2009 – 2010 – 2012.
"Best Investment bank in Vietnam" for two consecutive years 2010 – 2011.

Asian Investor

"Best Vietnam Onshore Fund House" by Asian Investor in 2010

Alpha Southeast Asia

"Best Investment bank in Vietnam" in 2011.
"Best Bond House in Vietnam" in 2011.
"Best Institutional Broker in Vietnam" in 2011.
"Best High Yield Bond Deal of the Year in Southeast Asia" in 2011

ASSET ASIA AWARDS – The Asset – TRIPLEA

"Best Domestic Investment Bank in Vietnam" for two consecutive years in 2011 – 2012.
"Best Equity House in Vietnam" award for two consecutive years in 2011 – 2012.
"Best Asset Management Company of the Year in Vietnam" in 2012.

Asia Asset Management
THE JOURNAL OF INVESTMENTS & PENSIONS

"Best Asset Management Company in Vietnam" award in 2012.
"CEO of the year" for Ms. Le Le Hang – CEO of SSIAM in 2012.

OTHERS

Third-class Labor Medal for outstanding achievements in construction and development of the stock market in the period of 2000 – 2010.

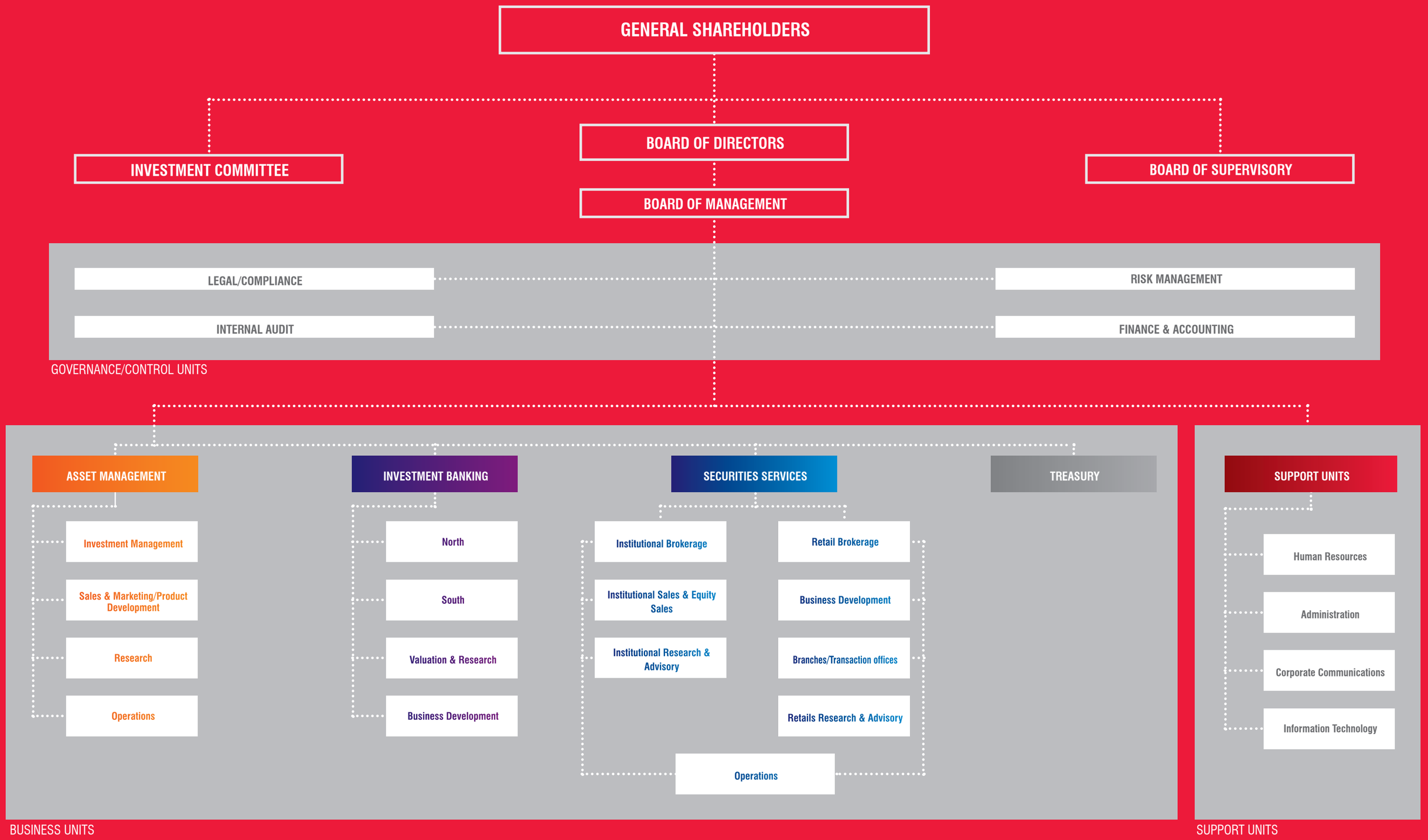
Top 500 Vietnamese Largest Private Enterprises (VNR500) (VNR500) for five consecutive years 2008 – 2009 – 2010 – 2011 – 2012.

Top 1000 Enterprises with Largest Tax Contribution in Vietnam (V1000) for two years 2010 – 2012.

Top 2 in 5 leading listed enterprises for Investor Relations (IR) in 2012 according to a survey by Vietstock.

One of 10 leading listed enterprises strictly complying with transparency rules regarding disclosures of business information according to a survey by Vietstock.

ORGANISATION STRUCTURE



BOARD OF DIRECTORS



Mr. Nguyen Duy Hung

Chairman cum CEO

Mr. Nguyen Duy Hung is the Chairman and the CEO of SSI. He is also the SSI's founder.



Mr. Ngo Van Diem

Board Member

Mr. Ngo Van Diem has more than 30 years of experience in Vietnam investment industry as well as international financial market. He was appointed as manager and senior manager in a corporation innovation program, an industrial zone development scheme and economic integration projects of Government Agencies. He was formerly Director of the State Committee Office of Investment Cooperation Department, Director of the State Evaluation Council, Director of Vietnam Industrial Zones Board of Management and Vice Director of Research Department of Prime Minister. Mr. Diem graduated from Leipzig University and graduated with Doctor Degree in Economics from Martin Luther University Halle in Germany.



Mr. Nguyen Hong Nam

Board Member

Mr. Nguyen Hong Nam is a successful manager in many business areas. He graduated with an MA from Lugansk University in Ukraine.



Ms. Dam Bich Thuy

Board Member

Ms. Dam Bich Thuy currently is Deputy President of ANZ Mekong. Ms. Thuy was formerly Director of the Natural Resources Department, a loan scheme from ANZ Singapore Investment Banking supporting Asia and member of ANZ Finance Cooperation. Ms. Thuy graduated with MBA from The Wharton School of Business, the US.



Mr. Bui Quang Nghiem

Board Member

Mr. Bui Quang Nghiem is Director of Nghiem & Chinh Law Partnership and Vice Chairman of Ho Chi Minh Law Association. Mr. Nghiem graduated from Halle University – Germany.



Mr. Masami Tada

Board Member

Mr. Masami Tada is the current Chairman of Daiwa Capital Markets Hong Kong Limited. He is the member who has many experience years in Daiwa Corporation; he used to be in charge of key positions in many other sub-companies, such as Daiwa Capital Markets Trading Hong Kong Limited, Daiwa Capital Markets Investments Asia Limited, Daiwa Capital Markets Investments Hong Kong Limited ... He graduated from Waseda, Japan with specialization of Legislation.



Mr. Alistair Marshall Bulloch

Board Member

Mr. Alistair is the current CEO and specialized consultant for Asia – Pacific of ANZ Bank. He has have 30-year experience in banking sector.

Name	Position	Degree of independence (*)	Appointment date
Mr. Nguyen Duy Hung	Chairman	Chairman cum CEO, related party to major shareholder of NDH Vietnam Ltd. Co, Holding SSI's stocks	Appointed on 1 November 1999 Re-appointed on 27 September 2003 Re-appointed on 28 April 2010
Mr. Ngo Van Diem	Board member	Non – executive, Independent Board Member	Appointed on 21 April 2007 Re-appointed on 20 April 2012
Mr. Nguyen Hong Nam	Board member	Executive Board Member Holding SSI's stocks	Appointed on 01 November 1999 Re-appointed on 21 April 2009
Ms. Dam Bich Thuy	Board member	Non – executive, Independent Board Member, related party to major shareholder of Australia and New Zealand Banking Group No holding SSI's stocks	Appointed on 24 April 2009
Ms. Bui Quang Nghiem	Board member	Non – executive, Independent Board Member Holding SSI's stocks	Appointed on 24 April 2009
Mr. Masami Tada	Board member	Non – executive Board Member, related party to major shareholder of Daiwa Securities Group Inc No holding SSI's stocks	Appointed on 20 April 2012
Mr. Alistair Marshall Bulloch	Board member	Non – executive Board Member, related party to major shareholder of Australia and New Zealand Banking Group No holding SSI's stocks	Appointed on 19 October 2012 and approved by General Meeting of Shareholder on 28 April 2011

(*) Note: Independent Board Member is determined pursuant to item 3 of Article 2 of the Resolution No. 121/2012/TT-BTC dated 26/07/2012 issued by the Minister of Finance in term of corporate governance applicable to listed companies

BOARD OF SUPERVISORY



Mr. Nguyen Van Khai

Mr. Nguyen Van Khai has been appointed as Head of the Board since 1999. He has many experiences in corporation management and now he is General Director of Pan Pacific whose main business functions are investment, trading and industrial hygiene services.



Mr. Dang Phong Luu

Mr. Luu has been appointed as the Board Member since 2005. He used to be General Director of Tan Binh Branch – Vietnam International Bank – VIB. He has over 20 years in financial and banking sectors. He graduated from Banking University, Ho Chi Minh City



Ms. Ho Thi Huong Tra

Ms. Tra has been appointed as the Board Member since 2007. Ms. Tra has over 14 years in Vietnam commercial bank. She used to work in the accounting department and now she is Deputy Director of Loan Management Department, Head Office of Vietcombank. She is the Bachelor of Accounting and Financing University.

Name	Position	Degree of Independence	Appointment date
Mr. Nguyen Van Khai	Head of the Board	Non-employed by SSI Holding SSI's stocks	Appointed on 01 November 1999 Re-appointed on 08 April 2006 Re-appointed on 28 April 2011
Mr. Dang Phong Luu	Board Member	Non-employed by SSI Holding SSI's stocks	Appointed on 26 March 2005 Re-appointed on 28 April 2010
Ms. Ho Thi Huong Tra	Board Member	Non-employed by SSI Holding SSI's stocks	Appointed on 21 April 2007 Re-appointed on 20 April 2012



EXECUTIVE BOARD

Board of Managers



Mr. Nguyen Duy Hung
Chairman cum CEO



Mr. Nguyen Hong Nam
Deputy CEO

Governance / Control Units



Mr. Nguyen Kim Long
Director - Legal & Internal Control



Mr. Tran Duong Anh Viet
Director - Internal Audit



Ms. Nguyen Thi Thanh Ha
Chief Finance Officer



Mr Michael Rosen
Chief Strategy Officer



Ms. Hoang Thi Minh Thuy
Chief Accountant

Business Units

ASSET MANAGEMENT



Ms. Le Thi Le Hang
CEO



Mr. Nguyen Khac Hai
Deputy CEO



Mr. Pham Truong Son
Deputy CEO



Mr. Nguyen Thanh Tung
Deputy CEO



Ms. Nguyen Ngoc Anh
Director - Northern Region



Mr. Nguyen Phan Dung
Director - Investment

INVESTMENT BANKING



Mr. David C. Kadarauch
Managing Director

SECURITIES SERVICES



Mr. Bui The Tan
Managing Director



Mr. Mai Hoang Khanh Minh
Director - Equity Sales



Ms. Hoang Thi Xuan
Director - Operations



Mr. Pham Ngoc Bich
Managing Director
Institutional Sales



Ms. Do Thi Thanh Thuy
Director
Business Development



Mr. Nguyen Duy Khoa
Director - Individual sales



Ms. Hoang Viet Phuong
Director - Institutional Research & Investment advisory



Mr. Nguyen Duc Hung Linh
Director - Retails Research & Investment advisory

TREASURY



Ms. Nguyen Vu Thuy Huong
Managing Director

Suppot Units



Ms. Doan Ngoc Ly Ly
Chief Personnell Officer



Ms. Luong Lan My
Chief Communications Officer



Mr. Bui Viet Dung
Chief Infomation Officer



Ms. Tran Thu Trang
Chief Administration Officer

BUSINESS RESULTS

2012 - A year of sustainable development



ECONOMY OVERVIEW IN 2012



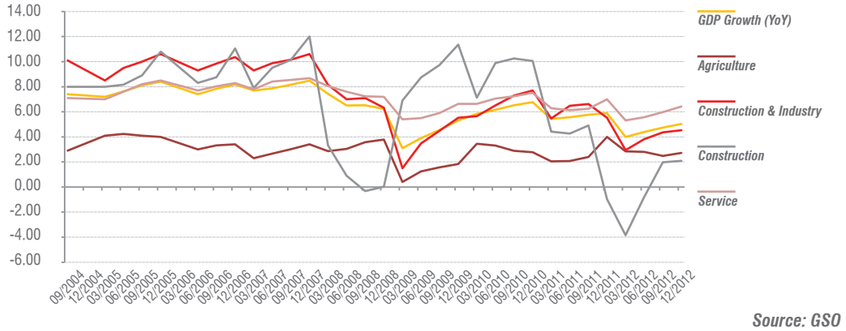
2012 GDP growth reached 5.03% YoY, supported by positive net exports: After 20 years, ever since 1992 when the first trade surplus year recorded, Vietnam experienced a modest trade surplus again in 2012 and this was the primary driver for 2012 GDP growth. If we discount the impact of net exports from GDP, the remaining contributors to 2012 GDP should be lower than those of 2011. On the contrary, Vietnam's exports have been the shining star in the region, advancing 20% YoY. Furthermore, declining imports should be alarming and overall impaired Vietnam's growth as imports provide inputs for both production and consumption. Diminishing imports imply weak production activities and low domestic demand. Imports by domestic enterprises decreased 6.7% YoY. Retail Sales real growth was 6.2% YoY in the year; Industrial Production Index rose 4.8% YoY while Inventory levels rose to 20.1% YoY. As a result, Vietnam economy is behind the Government initial 5 years plan (2011-2015) objective of achieving average GDP growth of 6.5-7%,

Unofficial VND/USD exchange rate 2011-2013



Source: Reuters

Vietnam GDP Growth (by Sectors, Quarterly, Year to Date) 2004-2012 (%)



Source: GSO



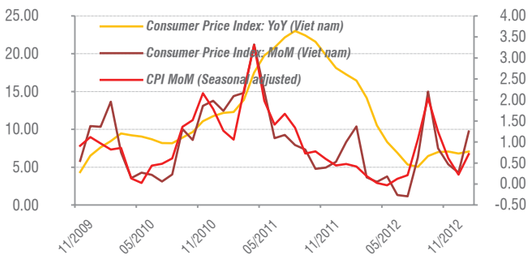
One great achievement during 2012 was a stable Vietnam Dong (VND), well supported by a positive balance of payment at about USD 10 billion in 2012 (as compared to USD 3 billion surplus in 2011), driven by a trade account surplus. 2012 forex reserves reached about USD 25 billion, double the 2011 level.

Inflation sharply declined in 2012, to 6.81% YoY (from 18% in 2011). Major drivers of inflation were Health Care (2.53%/6.81%), Education (0.98%/6.81%), and Housing & Construction Materials (0.91%/6.81%, which include Electricity), while Food and Foodstuff used to drive Vietnam CPI in the past. Monetary and Fiscal tightening were quite aggressive in H1 2012. However, in H2 2012, aggregate demand was weak and kept prices low.

The bank debt crisis provoked a decline in bank credit growth: For the first time, NPLs in the banking system was announced at roughly 8-10% (previously only around 3%) and investors believe that this ratio could be higher, especially at many small banks. Evidently, the property sector was one of the most critical factors causing the high level of NPLs and 70% of total loans are reportedly related to properties.

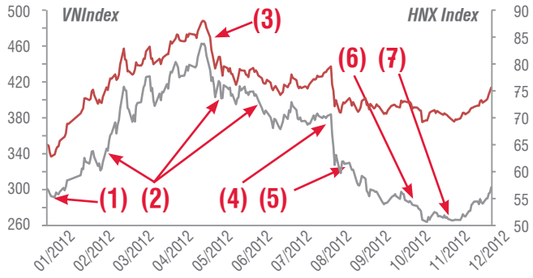
Bank bad debts and systemic risks facing the banking system became the burning headlines in 2012, partly because a number of scandals happened and several financial tycoons were arrested. With lower risk tolerance, some banks resorted to requesting collaterals upon lending on the interbank market. Lending hesitation bred a situation where large banks had ample liquidity but were reluctant to lend while small weak banks were running out of liquidity and facing insolvency. Con-

Vietnam CPI 2009-2013 (%)



Source: GSO, SSI Research

Fluctuations of VNIndex and HNXIndex

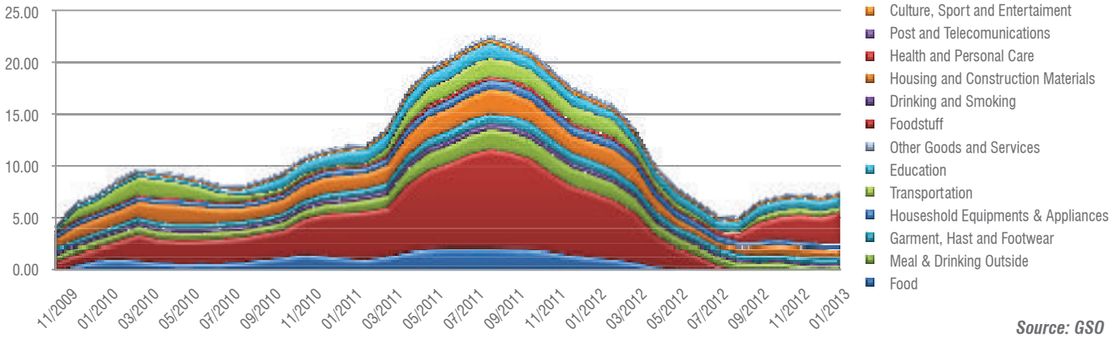


Source: Bloomberg

Interpretation: Fluctuations of VNIndex and HNXIndex

(1) EIB announced to have bought 9.73% of STB, signaling an M&A case	**(5)** Large banks downgraded by Moody's
(2) Policy rates lowered by 100 bpts	**(6)** Loss form gold trading at ACB; STB's ex-chairman summonned to the police
(3) announcement of actual NPLs: 8.6% as of 1Q12	**(7)** A series of measures by the Goverment to rescuethe property sector
(4) Arrest of Mr. Nguyen Duc Kien	

Vietnam YoY CPI breakdown by components, 2009-2013 (%)



Source: GSO

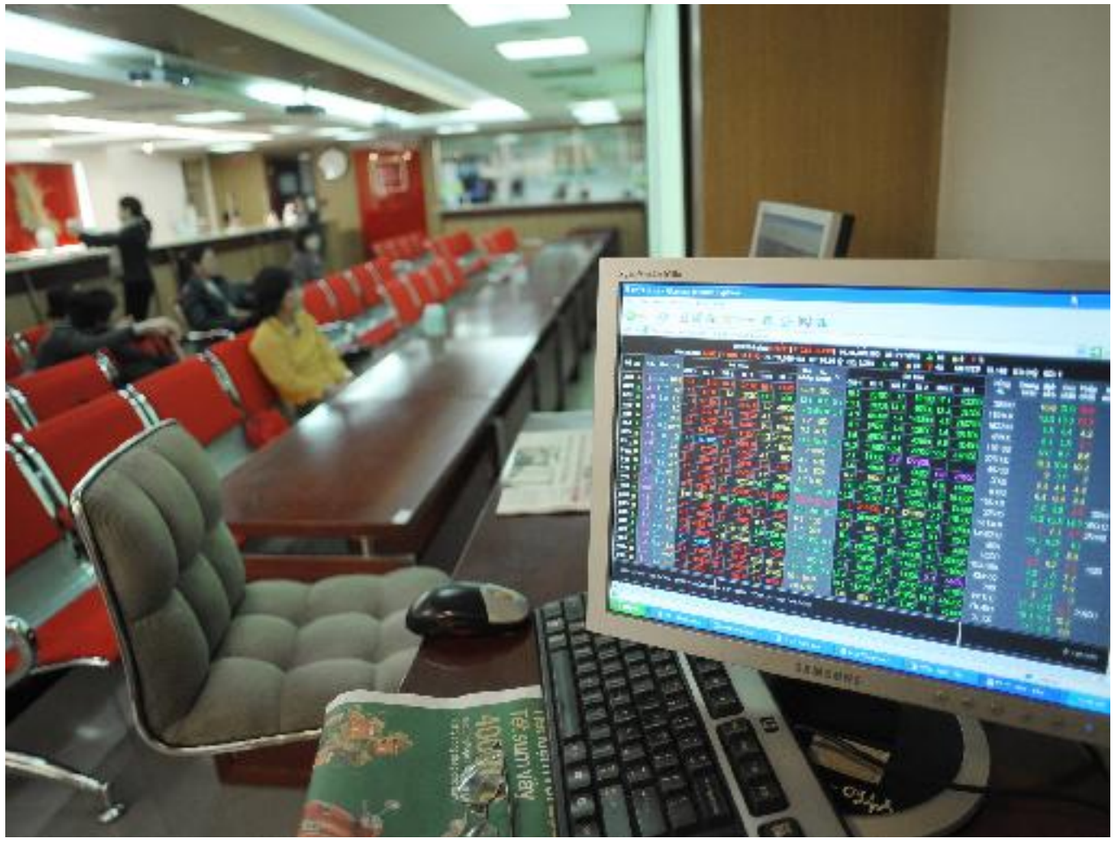
sequently, the decline in bank credit is a result of both demand and supply. Credit demand eroded as the economy remained weak and supply declined as banks became risk-averse with their high NPLs. Credit growth in 2012 was 8.91% YoY, quite a low figure when compared to historical annual growth of 20-30%.

Austerity is imminent in a debt crisis. Weak demand prompted low budget revenues and exerted pressure on budget spending. The method in which Vietnam calculates budget deficit is quite different from international standards (IMF's Government Finance Statistics manual). First, external debt's principal payment is included in the Vietnamese version. Second, government expenditures do not include the government bond disbursements (both local and international), therefore, creating a gap. The announced data showed that the raw fiscal deficit for 2012 roughly reached VND 162.6 trillion. The MOF also announced that they received a carried-over revenue (i.e revenue from 2011 carried into 2012) of VND 22.4 trillion, therefore, the budget deficit only reached VND 140.2 trillion (deducting VND 22.4 trillion from VND 162.6 trillion), fitting favorably with the 4.8% ceiling for the budget deficit. If excluding the VND 58.85 trillion of external debt principal payment from budget expenditures, the level of budget deficit only reached 2.76% of GDP. However, if Government bond and debt usage in 2012 were taken into account, the deficit level would be around 6% of GDP (by Government Financial Statistics - GFS definition). Although it should not be alarming (as 2009 level was 8.48%), the number is still relatively high and requires careful consideration to avoid any significant deterioration in Vietnam fiscal health.

Policy reaction remains slow and discreet: The bleak property market, rising bad debts and inventory and economic restructuring (in the banking system, public investment and SOEs) received many stimulus measures. However, not much was implemented, and we only witnessed the acquisition of HBB by SHB in August 2012 and several other supportive measures. From 2H 2012, confidence regarding economic improvement deteriorated, only to later intensified by banking scandals and arrests

In the stock market, overall, we saw an apparent pattern in the VN Index in 2012. For the first five months of the year, the VN Index experienced a decent rally to nearly reach the 500 level with the active participation of both foreign and local investors expecting for a quick turnaround of the economy, signaling a decline in inflation and policy rate decreases (3 times). Subsequently, the market reverted to strong corrections, and a prompt rebound in August soon faded after the outbreak of the ACB's scandal. After falling below the 380 level (around 23% loss from the peak), the VN Index mustered a comeback in late 2012 as the government officially announce a number of supportive measures to resuscitate the economy in 2013. Overall, the VN Index closed 413.13 on December 28th, an increase of 17.69% or 62.18 points YoY. As for the HNX, it displayed an orderly movement during the year but with stronger decreasing momentum, closing the year down by 0.9% at 57.09 point level. Trading liquidity improved on both bourses; as average trading value increased about 28% during the year. Total market cap of Vietnam listed equity rose to VND 765 trillion (USD 36.7 billion, 34.44%) equivalent to 26% of GDP.

Foreign investors were active in 2012. Both trading volume and value of foreign investors increased, and overall, they net bought VND 4.6 trillion in 2012 (mostly on HOSE, VND 3.35 trillion, and nearly tripled 2011's figure). SSC estimated total Foreign Indirect Investments of USD 2 billion (10% YoY growth, both on the listed and the OTC markets).



BOARD OF DIRECTORS' ACTIVITIES

In 2012, the Board of Directors (BOD) organized four face-to-face periodic meetings, as well as many conference calls to update business activities; thus enabling the BOD to direct the Company's activities on a timely basis in reaction to market changes. More attention were paid to the roles of BOD's independent and non-executive members , as the Company would like to apply corporate governance standards that are the best practices and proposed by Government agencies and other international institutions. The aim is to protect shareholders' interests and avoid conflict of interest among stakeholders.

BOD has appointed Mr. Ngo Van Diem, an independent and non-executive member, to be in charge of directly supervising the execution of the CEO and managers, reporting supervision results, making independent assessment on the Board of Management's efficiency. Mr. Ngo is also in charge of updating the above information in monthly BOD reports. His job also requires coordination with BOS to supervise the implementation of Legal regulations, Company's Charter, Shareholders' Meeting Resolution, BOD's decisions; including:

- Consolidating financial statements of affiliated companies in accordance with long-term investment strategies;
- Reviewing, improving risk management and internal control procedures to comply with new regulations on organization structure and operation of a security company;
- In August 2012, the representative of the BOD directly inspected Hanoi Branch and Hai Phong branch.

Mr. Bui Quang Nghiem, an independent and non-executive member, is responsible for the evaluation of business plans proposed by the CEO. With his long-term experience in legal advisory, Mr. Nghiem has given valuable advice to BOD's executions in 2012 that helped the Company strictly comply with regulations and avoid unnecessary legal risks.

BOD's resolutions in 2012

No	Resolutions ref. number	Dated	Contents
1	01/2012/NQ-HĐQT	04/01/2012	Closing Quang Ninh branch
2	02/2012/NQ-HĐQT	05/01/2012	Amending Article 5.1 of the Charter to update chartered capitals after issuing 1,500,000 shares for key members.
3	03/2012/NQ-HĐQT	08/10/2012	Implementing share issuance program according toemployee share option plan and dividend payment in 2011
4	04/2012/NQ-HĐQT	25/12/2012	Detailed instructions on employee share option plan

Until now, the BOD has not established sub-division for each department. According to 2013's action plan, the BOD will either establish sub-divisions for Human Resource Management, Compensation, Internal Audit, Risk Management or assign its members to deal with those issues directly.

List of BOD's members with certificates of Corporate Governance is stated in .....of this Report

SUPERVISORY BOARD'S ACTIVITIES

The Supervisory Board (BOS) performed its task as stated by applicable Laws and the Company's Charter: supervising implementation of Shareholders' Meeting Resolution in 2012; compliance with the Laws, the Company's Charter and other internal documents; review of financial reports and annual audit report.

In 2012, BOS held two meetings and frequent communications as well as collected reviews via email and telephone. The meeting in August 2012 focused on the following issues:

- Examining business results of the first nine months in 2012 submitted in October 2012 by Chairman cum CEO;
- Supervising the implementation of Resolution No. 01/2012/NQ-DHDCD;
- Supervising the BOD's execution;
- Reporting treatment process of shareholders' petitions.

Main activities of BOS in 2012:

Examinations on the compliance of Laws, the Company Charter, Shareholders' Meeting Resolution

The company's operation in 2012 strictly complied with regulations of Laws and the Company's Charter as well as information publication scheme for listed securities companies on the Ho Chi Minh City Stock Exchange. Managers and internal shareholders both followed SSI's rules on share transaction announcements. Resolutions of annual shareholders' meeting were implemented exactly as announced. BOS directly supervised dividend payment procedures, employees share issuance in 2013 pursuant to Resolution No. 01/2012/NQ-DHDCD in order to ensure that this issuance plan had been applied to the appropriate persons with appropriate purposes.

However, the BOS noticed that there were some late announcements of quarterly consolidated financial reports; BOS had required the CEO to explain the purpose for the late announcements and propose solutions. The BOS acknowledged that the announcement of affiliated companies' financial reports were same as that of SSI, making it harder for SSI to provide a consolidated report in a timely manner. The BOS has asked the CEO, the BOD for solutions to these issues.

Supervision results on activities of BOD's members and CEO
BOS appreciated the management efforts of the BOD and the CEO to ensure asset safety for SSI and customers in a year of much risks and difficulties. Up to now, the BOS has not found any violation from SSI's managers.

BOS highly appreciated the cooperation and support from the BOD and the CEO. The BOS has received all relevant documents, invitation letters to participate in meetings of the BOD and assigned a representative to join all of the meetings.

Solutions for claims of Shareholders
Up to now, the BOS has not received any request or petition from shareholders on the Company's operation.

Personnel changes
Personnel changes of BOD, BOS, Executives Board and Chief Accountant

- As decided in 2012 Shareholders' Meeting, Mr. Yoshio Urata was dismissed in 20 April 2012 and Mr. Masami Tada was appointed.
- In 2012 Shareholders' Meeting, Ms. Ho Thi Huong Tra was re-elected as a member of BOS after her term from 2007 to 2012
- No personnel change was made in Executives Board and of Chief Accountant

INTERNAL AUDIT ACTIVITIES



Internal audit department has become more important in terms of regulating corporate governance in public companies in general and the listed companies in particular. An effective internal audit department plays a vital role in supporting the Board of Directors, Supervisory Board, and the Board of Executives in regulating corporate governance of its company.

At SSI, the internal audit department was established under the decision of the Board of Directors; it belongs to the Governance and Control Units. Its staff, equipped with extensive experience in accounting, auditing, and securities practice certificates, has done well in the assigned tasks. Not only is the internal audit department completely independent from other parts, but also it is the right hand of the Board of Directors in monitoring financial performance. It is responsible for periodic reviews of accounting department, data input into financial statements; liquidity reports etc...; as well as detecting errors in accounting and finance activities to promptly report to the Board of Directors in order to make timely improvement recommendations in accordance with Company internal regulations.

In 2012, the internal audit department conducted 10 audits at SSI's branches and subsidiaries. On a monthly and quarterly basis, its staff audits the Quarterly financial statements and liquidity reports prepared by the accounting department so that prompt reports are made to the Board of Directors of the shortcomings in order to make timely recommendations for adjustments.

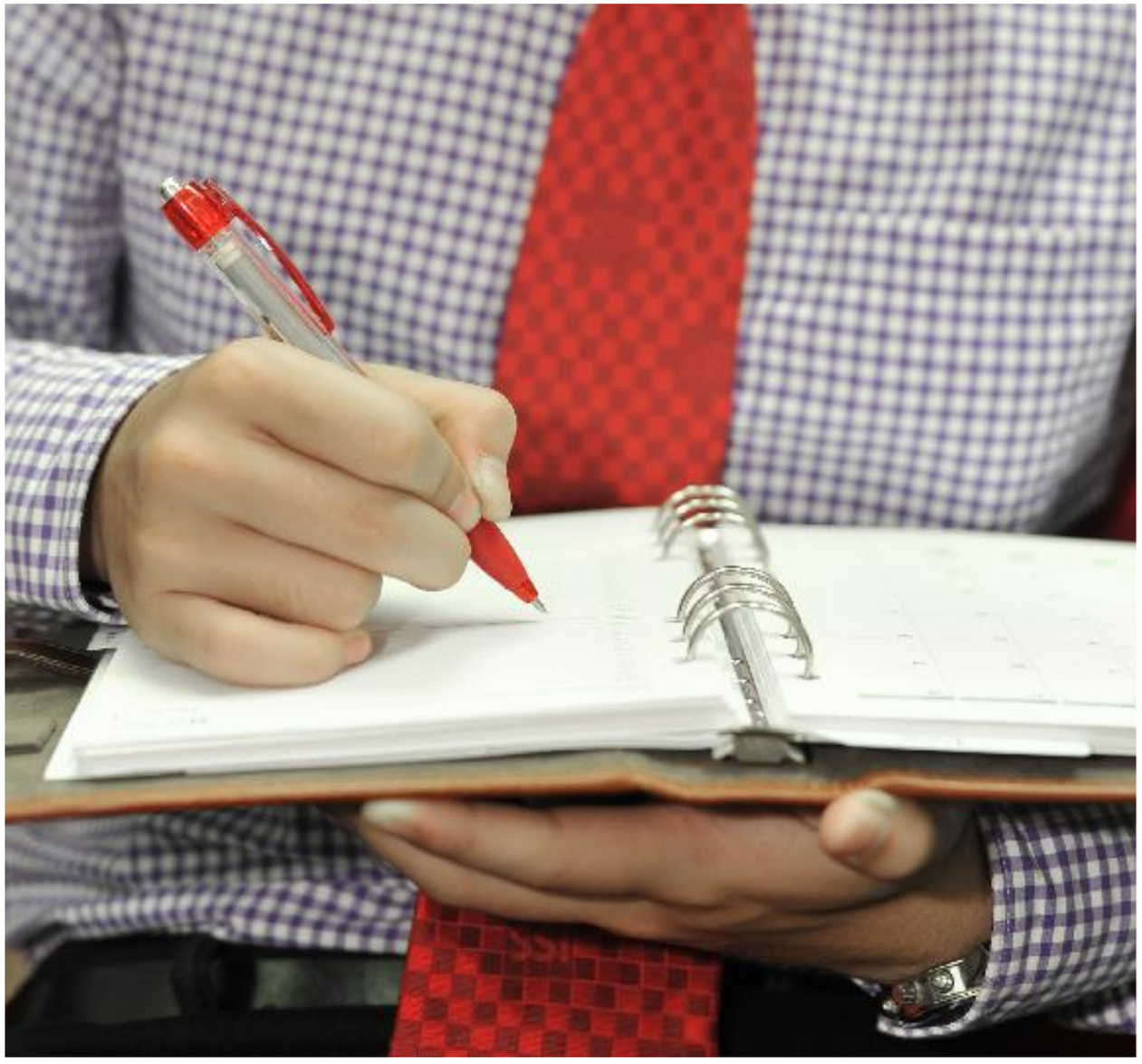
In 2013, SSI will re-organize the internal audit department in accordance with Circular No. 210/2012/TT-BTC set forth by the Ministry of Finance regarding establishment and operation of securities companies. Internal Audit Department is responsible for periodically auditing financial statements at branches and subsidiaries of SSI to ensure that all published financial statements provide a truthful and fair view of its actual financial position; as well as ensuring the company's financial accounting system is more secure and more balance. It will also issue monthly reports providing financial safety ratios in accordance with this Circular.

Internal audit department is also responsible for updating the new international standards and practices in internal auditing. Organizing training programs and updating new regulation in accounting and finance practices to the staff in order to improve professional analytical skills is one of the main tasks of the 2013.

POSITION OF INTERNAL AUDIT DEPARTMENT IN SSI'S ORGANIZATION STRUCTURE



RISK MANAGEMENT



RISK MANAGEMENT SYSTEM AT SSI

2012 continued to a tumultuous year for Vietnam economy and financial sector. Negative results arising from actions at several banks and securities firms have caused many companies to incur losses reaching thousands of billion VND, to reduce operations, to be acquired and even to wind-down operation. Many executives were indicted for criminal and civil acts, which showed the importance of risk management in general businesses as well as in banks and securities firms. Government authorities, economists, investors and the public media all emphasized the importance of risk management in 2012 and in subsequent years for banks and securities firms.

In such context, SSI once again proved the effectiveness of its own risk management models and policies. The company did not let any substantial risk take place and negatively affect the reputation, business results and the rights of shareholders and customers. This was the results of a disciplined risk management process from the top level at the Board of Directors of SSI to the Board of Management, services and control units, who have always complied with all pre-established risk management decisions.

Risk management systems at SSI:	
BOARD OF DIRECTORS AND BOARD OF MANAGEMENT	Establish business strategy and risk management policy.
DIRECTOR OF RISK MANAGEMENT AND THE HEADS OF BUSINESS UNITS	Risk Identification Discovery of risk resulting from day to day operations and Coordination of risk resolutions Develop risk management programs to reduce risks Supervise the implementation of Risk Management policy versus pre-established plan
THE BUSINESS UNITS	Executes the risk management policy Uncover risks arising from operations Develop risk management programs to reduce risks Contribute to development of risk management systems.

MARKET RISKS

Market Risk is the risk that arises from unstable, erratic movements of the market in terms of goods price, interest rate, exchange rate, policy changes,... negatively affecting the value of financial investments. Since the stock market is the most prevalent investment channel, it has become very sensitive and reflects timely and accurately on every movement of the market. All official/unofficial information, changes in monetary policy or in real estate market is reflected in stocks prices. Since these changes are irrepressible, securities companies are required to develop an efficient risk management system by following, evaluating, forecasting the market, providing investment strategies, addressing possible problems and providing solutions.

Two main activities of SSI affected the most by market risks:

- Bank's deposits and fixed income investment: With large amount of cash in hand – nearly VND 3,000 billion, comprising about VND 763 billion owned by investors, SSI has to increase efficiency in cash management and achieve targets such as: maximizing profit, maintaining liquidity, while simultaneously effectively allocating SSI's and investors' money. SSI's cash flows varied rather significantly, depending on customers' investment in stocks and demand for margin trading. In order to optimize profit, SSI has to combine flexibly between investments in banks' deposits and loans to mitigate interest rate risk, policy risk and avoid mismatching maturity.
- Stock Investment: Stock price is significantly affected by many economic factors, and any drop below its cost is immediately reflected as a loss for the company. With the consensus that market downtrend is likely to persist in the short term, SSI follows cautious investment strategies, focusing on long-term investments and limiting short-term trading. In 2012, SSI continued with the strategy of "Support and grow with our stakeholders", focuses on companies in fundamental and essential sectors of the economy, which are less affected by the market swings and boast potential for long-term stable development. Since the proportions of investments in affiliated companies have amplified in size, SSI is less and less affected by market risks. The number of associates have increased from 2 in 2011 to 9 in 2012, with total investment reaching VND 5,283 billion (equivalent to 16.02% of total investment).





CREDIT RISKS

Credit risk refers to the risk that securities companies are not able to collect its debts. Business activities of securities companies that may incur credit risk include investment in bank deposits, margin-financing business and investment in bonds.

Investment in banks' deposits potentially incurs credit risk when the counterparty fails to make contractual payments. The year 2011 marked the rise of bad debts in the interbank market, which rarely occurred in the domestic banking system. The problems in 2011 carried over into 2012 and continued to negatively impair many banks' earnings. However, SSI did not incur any non-performing loans. This result has been achieved by diversifying counterparty risk exposures, evaluating credit rating for each partner based on market information, customers' information and experiences in dealing with them. SSI allocated credit limits for each counterparty, each customer and monitored these limits on a daily basis. Regarding investment in bank deposits, SSI established a system of evaluation criteria to assess the credit risk of financial institutions and only cooperate with carefully selected and reputable counterparties that have strong financial health.

Margin financing business is a lending activity, in which the customers' stock portfolio is held as collateral. The securities company has the right to require customers to repay parts of the loan or add more collateral when the market value of the portfolio declined below a certain maintenance level. Otherwise, the company reserves the right to sell customer's stock holdings to cover the debt. This activity incurs risks when customers do not provide additional collaterals or when the Securities Company cannot force the customers to sell the stocks in a timely fashion. History has proved that many securities firms have participated in this risky activity with bad debts reaching trillions of VND. SSI performed a series of coordinated tools such as strictly complying with the State Securities Commission's requirements. In addition, the list of stocks held on margin must meet certain risk management standards including liquidity, price volatility and stock evaluation, based on analysis reports covering the financial position of the related companies. Customers using margin financing service must be qualified according certain evaluation criteria, subject to loan management monitoring based on SSI' pre-established principles. SSI uses an automatic quota management system and monitors this system through daily reports. Moreover, SSI constantly maintains debt balance at a safe level. By performing a series of coordinated measures, as mentioned above, since the inception of margin financing activities until the end of 2012, SSI did not incur any losses and the total balance of margin loans was maintained between 10% and 15% of total equity.

Investment in bonds implies the risk that bond issuer may suffer from liquidity shortage at the bond's maturity or may face other unpredictable issues, which can trigger the bond to lose its liquidity. To mitigate these risks, SSI formed an Investment Committee to review all investment proposals before implementation. Before that, the investment proposals were simply summited based on evaluation report of the company. Due to harsh economic environment, SSI did not participate in any bond positions in 2012.

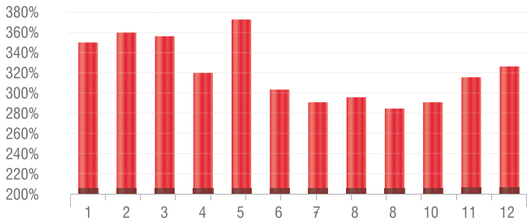
LIQUIDITY RISKS

Liquidity risk occurs when SSI fails to meet its debt obligations or to satisfy customers' payment orders. Securities firms could enter into this situation if they are not efficient in the management of the maturity gap of bank deposits, borrowing and lending activities; or when they fail to manage investors' money in a transparent manner, thereby intentionally or unintentionally misusing investors' money. As a result, securities companies could not fulfill their obligations when customers request payments. In addition, securities firms also incur liquidity risks when accepting illiquid collaterals for their margin lending activity and then could be unable to liquidate these assets to cover the debts when necessary.

In 2012, market liquidity fluctuated erratically, with daily trading volume oscillating between 300 and 2,000 billion VND. Volume oscillations have significantly affected margin financing as well as proprietary trading activities of securities firms. This was an extremely difficult year for many financial institutions in Vietnam. While many banks were still involved in "bad debt" dilemma arising from 2011, the banking system took another hit when several banks' leaders were prosecuted for illegal economic activities. Consequently, some banks were on the edge of losing liquidity. Securities firms were even affected more heavily when banks limited their lending activity, even in basic and safe activities such as advances stock sale proceeds to customers. Some securities companies could not deal with these difficulties and therefore faced serious liquidity issues. By the end of 2012, 11 securities firms were under "special monitoring" by the State Securities Commission of Vietnam (SSC) and many others were on the edge of being classified into this group.

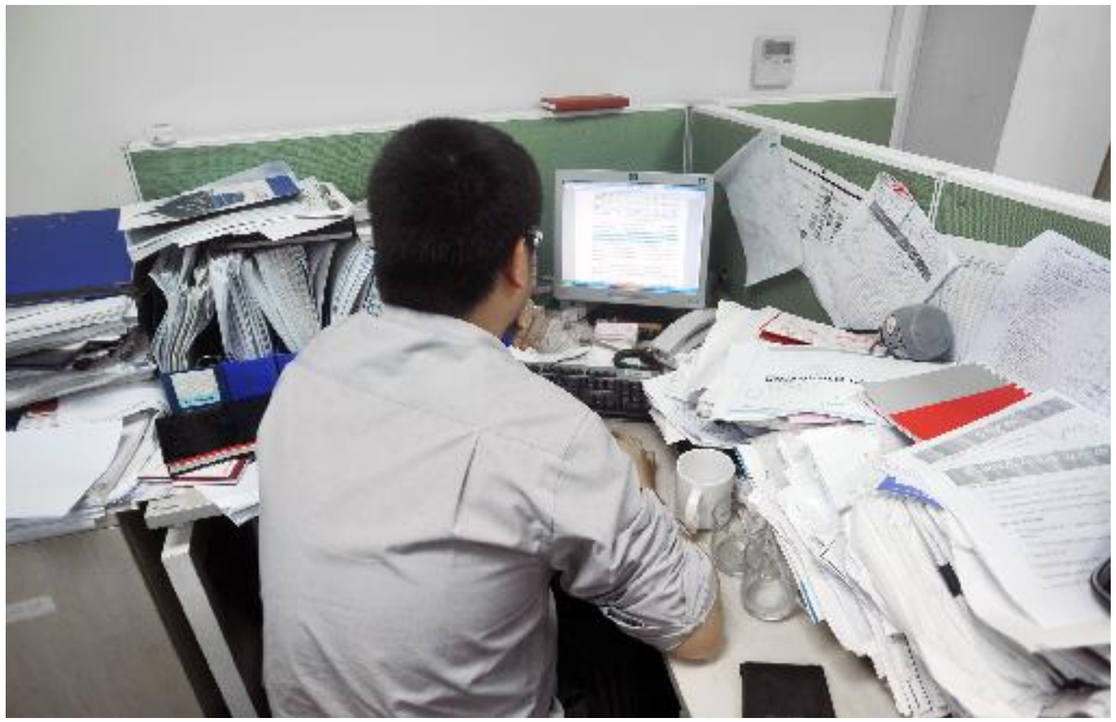
SSI, however, maintained liquidity by constantly maintaining capital adequacy ratio around 290% - 340%, much higher than the minimum requirement of 180%.

Financial safety ratio in 2012



Source: SSI

With regards to SSI's cash management, the Treasury and Accounting departments have collaborated closely to balance daily revenues and expenditures and to constantly update all future cash flow forecasts. Investments in bank's deposits are always implemented based on daily cash flows report.



Regarding customers' cash management, SSI Treasury has cooperated with other related departments in order to satisfy customers' requests on every payment.

In general, liquidity risk management is a highly important task and is implemented by cooperation of many departments at SSI:

Compulsory reports for each department:

	Reports	Frequency
Accounting	• Banks' accounts balance report • Investors' accounts balances at SSI • Expenditure & revenue projection report	• Daily • Daily • When arising
Treasury	• Daily cash flows; • Projected cash flows reports.	• Daily; • Monthly/ When arising/ As requested
Securities Service	• Advances to Investor report • Disbursement/ Loan withdrawal of Margin trading business • Investors' transactions report • Rights Issue related transactions report	• Daily • Daily and when arising • • Daily • When arising

Accounting Department

- Providing Treasury with information relating to account balance and transactions based on Treasury department's requirements in order to manage cash flows effectively;
- Implementing payments according to Treasury requirements relating to internal payments and customers' payments;
- Reporting to Treasury department problems arising from operations of banks' accounts.

Treasury Department

- Based on inputs (as mentioned in "Procedure of cash flow management") and approved credit limits, the Treasury balance the cash flows from Investors and SSI (in terms of counterparties, maturities and payment methods), in order to optimize the profit but still satisfying payment requirements from customers and SSI.

Securities Service

- Receiving customers' requirements/comments and providing necessary information relating to investors' account and transaction (including cash inflows and outflows) for Treasury department in order to meet customers' requests and balance cash flows.

Moreover, SSI always maintains a reasonable ratio between assets and liabilities, applies basic principles of liquidity risk management including investments in liquid assets. Especially, cash position is sustained at a rational level in order not only to satisfy liquidity need and support margin-financing activities but also to ensure a stable source of income. This amount of cash is deposited reasonably with different maturities to optimize profit for the company. At the same time, SSI also develops a structure of credit limits with various financial institutions with different financial products, including commercial loans and overdraft facilities. The funding methods to ensure solvency of SSI also consist of Repos, Forwards, certificate of deposits, etc. In recent years, SSI has offered financial products to individual customers to ensure the two objectives in parallel, which are diversification in offering products to meet customers' needs and increase liquidity.

SYSTEMIC RISKS AND INFORMATION SECURITY

As a brokerage firm, systemic risk and information security always are the greatest risks and challenges that the SSI's IT team must cope with to ensure two vital elements: highest possible protection of customers' information and transactions and rigid daily operations to guarantee peak performance of the system while avoiding any services disruptions. Such disruptions could impose damages to both customers and SSI financially as well as SSI's public image, which are reprehensible to SSI's core values.

In 2012, SSI reengineered entire networking infrastructure including network devices, security devices and data communication channels. Employing the highest standards throughout the project brought the system to next level of security and high availability ensuring business continuity.

Strong and rigid engineering procedures regarding information security have been put in place and the system constantly receives monitoring and scanning for potential vulnerabilities such as security holes, intrusions and viruses. SSI regularly works with leading security firms to get comprehensive assessments of the system and develops security strategies to ensure that IT's risk management constantly receives reviews and updates.

Continuing strategic path started in 2011, SSI has accelerated business and system automation in 2012. Real-time Disaster Recovery system is also tested periodically to ensure safety and integrity of information. In 2013, SSI aims at achieving even higher automation level and data consolidation from all sources so that risk control can be applied uniformly.

COMPLIANCE RISKS

Avoidance and reduction of compliance risks is considered as a focus of SSI in 2012 and the coming years. SSI approach to avoid compliance risks are as follow:

- Design process, organization structures with cross-check regulations among divisions
- Enhance employees' compliance awareness
- Build systems for supervision and internal control
- Apply strict disciplines for violations

At SSI, professional procedures and organizations are designed with the mechanism of crosscheck in order to improve control, internal supervision; avoid overacting; and discover potential violations in advance.

Compliance awareness and alertness are key factors to assist SSI in reducing potential risk and develop SSI's compliance culture. Significant emphasis is placed on compliance training. Newcomers are briefed with all related procedures, regulations and other professional processes. During their tenure at SSI, employees are trained periodically with updates on new regulations. The internal supervision department frequently announces potential market risks, then analysis are given on the risks. Assessments are given on the risks and this calculated procedure has helped to enhance the department awareness.

The current internal supervision system has contributed significant importance to compliance of risk avoidance. The internal supervision staff supervises the compliance of internal legislation and procedure implementation. Supervision is much more pervasive in departments that pose potential risks. The results of supervision activities will help other departments in reviewing and correcting procedures with the aim of risk avoidance.

At SSI, company's regulations define consequences for violations; and the Board of Management has conveyed discipline messages to deal with employees who disregard SSI's regulations. All of the discipline regulations are published in the Company's handbook.



BRANDING RISKS

In today's economy, branding is not a mere representation of identify but it also symbolizes products/services of the enterprise and thus branding has become a valuable intangible asset. Accordingly, branding risks are the losses of value due to changes in the customers' concept of the company. These changes can affect the demand for products and services, as well as the general operations of the company. Branding risks may trigger damages in brand equity. At the same time, the risks of information, false rumors could negatively affect the company's reputation and undermine the confidence of customers, shareholders, partners, the community, and could subsequently lead to significant financial losses.

Aware of the possible risks, SSI has built and developed comprehensive branding strategies and crisis management, which are specified by the regulations and detailed branding risk measurement processes. Every year, SSI develops detailed communication plans with all the necessary information and then transmits it timely and effectively. All documents, messages, official announcements are selected carefully, and are highly consistent with SSI's core values. With the willingness to cooperate, share information, communicate to the media and the community, SSI also focuses on developing crisis management scenarios. Above all, we always concentrate on the benefits of the community, customers, shareholders, and partners.

SSI has always strictly complied with regulations governing regular and irregular information disclosures. With our respect to the investment value of shareholders, SSI is fully aware of the responsibility to accurately provide transparent, comprehensive information to shareholders and investors.

Along with effective communication policies and clear branding standards, SSI has been successful in building brand value. With the proud spirit of the SSI brand, SSI staffs are very careful in all facets of actions and communication related to SSI in order to avoid risks.





HUMAN RESOURCE RISKS

In 2012, financial institutions in general and especially securities companies experienced many changes in their business and at top management level. Apart from human resources expenditures, companies are now under pressure to retain as well as attract additional talents. According to recent studies of the labor market, SSI faces risks in Human resource management as described below:

- The labor market has been short of top managers and experts, particularly in the financial sector. The intense competition for talents may lead to key talents of the Company becoming the object of poaching by foreign financial institutions with strong financial capabilities;

- High turnover rate in the financial sector: According to Tower Watson's reports, is 16%, in which the voluntary accounts for 12.3%. This may cause destabilization in the human resource structure of the company.

Facing these potential risks, SSI aims at building competitive remuneration policies to retain talent, while emphasizes training policies as a key factor to improve staff knowledge and to help them fulfill their potential. SSI will continuously focus on recruitment to attract qualified candidates with experiences who are suitable with the long-term development strategy of the company.

The Company will continuously attempt to create an ideal work environment that emphasizes creativity, friendliness, fairness and favorable conditions to help staff perform their work with high results and enhance their career paths, as SSI believes that these are good solutions for human resource development. Team-building activities have also been promoted by the Company in order to build strong relationships among employees after working hours.

Enhancing the quality of employees, particularly within their respective professions, legal regulation, code of ethics as well as soft skills are the keys for human resource's development plan in 2013. SSI will emphasize on building a flexible organizational structure and optimizing operation costs. In order to adopt and stay relevant with the market, we understand that a flexible, yet sustainable structure is also a challenge for SSI's human resource management in 2013.

LEGAL RISKS

SSI operates in a business environment whose legal regulations are always changing in many shapes and forms. There has been a significant amount of new regulations issued each year and macro policies changes in many short-term periods. Many risks of disputes caused by related affiliated partners also require the Company to develop and implement practical solutions to settle arising risks.

SSI's Legal Department plays a pivotal role as the Company's lawyer and SSI seeks legal consulting services from other legal professionals. Legal department and other advisory divisions are responsible for updating newly issued documents to the Board of Directors, Board of Management, and other related divisions. Concurrently, this department is in charge with participating in creating legal documents relating to SSI's business activities by joining seminars to gather opinions, and cooperating with other departments to share its own opinions on legal documents. Additionally, SSI's internal procedures and regulations are frequently reviewed in order to correct, update in accordance with changes of legal regulations.



2012

BUSINESS RESULTS

SECURITIES SERVICES

INVESTMENT BANKING

ASSET MANAGEMENT

TREASURY AND FINANCE TRADING

SECURITIES SERVICES



2012 HIGHLIGHTS

- SSI continued its leading position in the brokerage for foreign investors segment with a market share of approximately 32%;
- SSI proudly became the only securities firm in Vietnam appointed and authorized as the distributor/agent by many leading open-end funds including Eastspring Investments Fund Management Company; Manulife Vietnam; VIPC Capital Management Corporation (VAM); Vietcombank Fund Management (VCBF); VietFund Management (VFM); Vinawealth Fund Management Company;
- SSI was proudly the first securities firm in Vietnam to successfully estbalish FIX connection to Bloomberg and Reuters;
- SSI remains one of the top securities firms in Vietnam whose risk management of financial products is well established in strict compliance with applicable laws.

2012 marked another year of economic difficulties and market instability all over the world. Vietnam's financial industry experienced many challenges admid macro-economic fluctuations and the prolonged European crisis setting. In 2012 Vietnam's economy continued to observe unstable macro - and micro -economic situations such as inefficient public investments, bad debts in the banking system, managerial ineffectiveness in the domestic gold market, the impaired real estate sector and SOEs ineffeciencies.

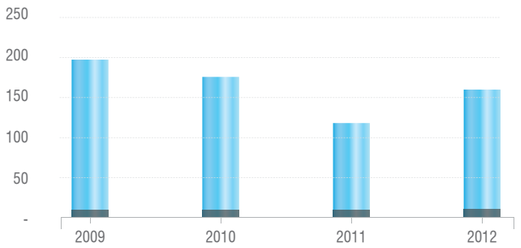
In addition, a series of scandals related to the Vietnamese financial industry seriously damaged investors' sentiment, especially cases of illegal property expropriations and credit frauds in the banking system. In the securities services sector, many securities firms were faced with illiquidity issues. Some even ended key businesses such as brokerage (proprietary) underwriting, and even became victims of lawsuits of fraudulent transactions involving staff and management. These situations prompted many investors to lose conviction in the macro-economic situation in general and stock market in particular.

In such difficult economic settings, SSI Securities Business was able to maintain firm & sound practices to affirm the leading position and to obtain significant achievements in 2012.

Sustainable growth amid tough market conditions

Positive business results in 2012 outperformed the company's plan in terms of revenues and profit, which is a testament to SSI's methods of synchronized measurements of controlling cost & expenses, developing & improving supportive products & customer policies and effective risk management in 2012.

Revenue



VND billion *Source: SSI*

However, fierce competition among securities firms and SSI's careful and prudent policies led SSI to become the 2nd brokerage position in terms of general market share. SSI still maintained the prestige no. 1 position with over 30% market share of foreign investors.

While other securities firms lost investors' confidence due to weaknesses in financial resources and management transparency, SSI reaffirmed its importance, as it became the choice for many new clients. With a stable growth of new clients, SSI's client base reach 60,000 accounts, among that there were 100 new institutional accounts, and 60% of the new accounts are actively trading. In parallel with focusing on client

expansion, SSI Securities Services has been able to maintain and improve valued customer policies among foreign institutions, of which, many are renowned financial institutions such as Deutsch Bank London, Vaneck, KITMC, Daiwa, Templeton, Horizon, Credit Suisse, Lion Capital, Fullerton, Prudential Viet Nam, Société Générale, Morgan Stanley, HSBC, CLSA, Manulife Viet Nam,...

Continuous improvement of quality, creating support for clients

After one year of a segregate model between Institutional Clients Division and Individual Investors Division, SSI Securities Business has improved significantly. Individual brokerage market share increased by 30%, and Institutional brokerage market remained at over 30%.

Brokerage operation, financial products for individual investors have been regularly improved and upgraded with updated lists of margin products in line with clients' demands, high quality of advisory and investment consulting, especially timely recommendations. In regards to institutional brokerage, SSI has always been recognized and highly regarded by clients for efficient trading execution of large block orders with practices and procedures in accordance with strict international standards via real-time connection to Bloomberg and Reuters.

Research and Investment Advisory, research products and ratings have been highly acknowledged as they are deeply rooted in combinations of both fundamental and technical analysis to provide timely and competent recommendations satisfying requirements of every single client segment. Reports generated to institutional clients incremented significantly in terms of both quantity and quality, especially Strategy Notes and Industry reports that are highly appreciated by foreign institutions. SSI's advisory & investment reports were the most searched and read reports via Bloomberg. Additionally, SSI has successfully built and run an Online Analysis Center on SSI website for individual investors. With this center, SSI's clients can access and download SSI's reports, market analysis newsletters.

Online trading, SSI concentrated on the development of more online trading online applications to provide faster trading platforms, user-friendly interface and which are easy to use. So far SSI has provided almost all of the trading tools through online trading such as placing orders, cash advance withdrawal from selling securities, money transfer, margin account management, placing conditional orders and account statements. In addition to online trading, SSI has always focused on development of all securities trading activities via all trading platforms: E-trading on internet, Contact center, SMS and email trading. The number of E-trading has continuously increased accounting for more than 70% of all total placed orders.

Human resource is the key to success of the Securities Business

Human resource is the foundation for all successful companies, especially in the securities industry where the quality of human resources is highly demanded. Deeply understanding the importance of human resource, SSI has constantly developed our employees via recruitment, training, and organization based on specialized knowledge on enhancing the capability of each individual and maximizes work efficiency.

Together with attractive and competitive renumeration schemes, SSI has become the top choice for talents in the market. SSI is proud to boasts the market No.1 Institutional Brokerage team, to be highly appreciated by institutional clients, especially foreign institutions regarding professional skills, quality of investment advisory and services.

Risk management in accordance with clients' interest

Effective and efficient management of operation procedures prevent SSI from the risks involved in margin products, illegal financial supporting activities to "manipulate" the laws that the market has witnessed throughout the year. 2012 saw many securities companies failed in dealing with risk management of their operation such as short-sell activities, brokers trading on clients' account without clients' permission, suspension from providing marginable products due to "manipulation" of securities trading law etc. In 2012, no SSI's client fell into illiquidity trap because of using margin trading thanks to the company's precise forecast of the market. SSI has always been proud of being one of a few securities companies that are strictly in compliance with the regulation of the State Securities Commission on risk management of financial products, thereby building clients' trust, especially foreign clients when they open a trading account with SSI.



INVESTMENT BANKING



2012 HIGHLIGHTS

- Maintained SSI's leading reputation in the Vietnamese Investment Banking sector
- Awarded "Best Equity House in Vietnam" in 2012 by FinanceAsia
- Awarded "Best Equity House in Vietnam" and "Best Domestic Investment Bank in Vietnam" in 2012 by The Asset

Market conditions remained constrained in Vietnam throughout 2012, with the Vietnamese "bear market" entering its sixth year. Of course, these conditions will one day sustainably improve, but the nature of any long-term bear market is that one can only be confident it will end once government's policies to resuscitate economic activities are effectively implemented.

One of the key challenges faced in 2012 has been the gulf in valuation perceptions that one often sees at the bottom of any bear market. Many Vietnamese business owners are seeking growth, to the extreme, survival capital, but they want a price that is much higher than many strategic and financial investors are willing to pay. This problem is normally a big one in markets that do not have an efficient, market-clearing legal system of bankruptcy, such as Vietnam.

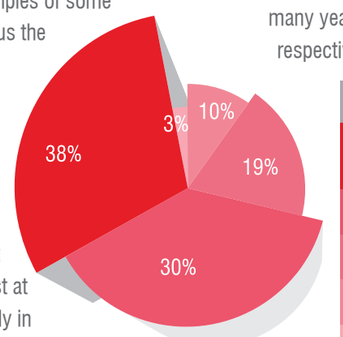
In that context, SSI Investment Banking has still gained some remarkable achievements. Revenues reached VND 79.8 billion, up 79.3% compared to the VND 44.5 billion of the year before. That said, to remain profitable amid such difficult economic conditions is unusual in the industry, which reflects our strong market position and the vigorous strength of SSI's integrated business model, with investment banking complementing the broking and asset management pillars of the Group.

We are proud to once again have been recognized by the Asian banking trade press as a leading investment banking participant in the Vietnamese capital markets, and in some cases the number one ranked firm. The following are examples of some of the executed transactions that have garnered us the award:

Providing customers with various and international - standard - investment banking services

During the year, our focus centered on maintaining our position as one of the leading investment banking players in the Vietnamese market, whilst at the same time managing our cost base stringently in order to sustain ourselves profitably amidst economic malaise. The following are some of our successful transactions:

- **Convertible bond issuance:** SSI successfully mobilized nearly VND 557.8 billion for Refrigeration Electrical Engineering Corporation (REE) by separately issuing 557.846 convertible bonds.
- **Separate securities issuance and public offering:** We successfully mobilized VND 196 billion for Vietnam Electronics; VND 1,000 billion for Petrolimex Group Commercial Joint Stock Bank
- **M&A service:** Sharp decline in the stock market in 2012 sparked many opportunities for M&A deals among domestic companies and foreign. Hence, SSI has placed great emphasis on strengthening and expanding its M&A advisory service.
- **Equitization (privatizing) consulting services:** We believe equitization alongside banking and overall economic restructuring will engine Vietnam's future growth, therefore we have place great importance in equitization as many State-Owned-Enterprises (SOEs) are currently undergoing the equitization process. In 2012, we assisted in the equitization process of Housing and Urban Development Corporation (HUD), one of the biggest SOE. Other companies we assisted in their equitization process included: Hanoi Construction Corporation, Viglacera Corporation, Vietnam Water and Environment Investment Corporation. All are state-owned-enterprises conglomerates with many years of experience and are leaders in their respective sector.



2012 revenue structure	
Equity and equity-linked issuance	38%
Equitizations	30%
M&A	19%
Listings	10%
Restructurings and others	3%

Human capital – The key to success for SSI's Investment Banking

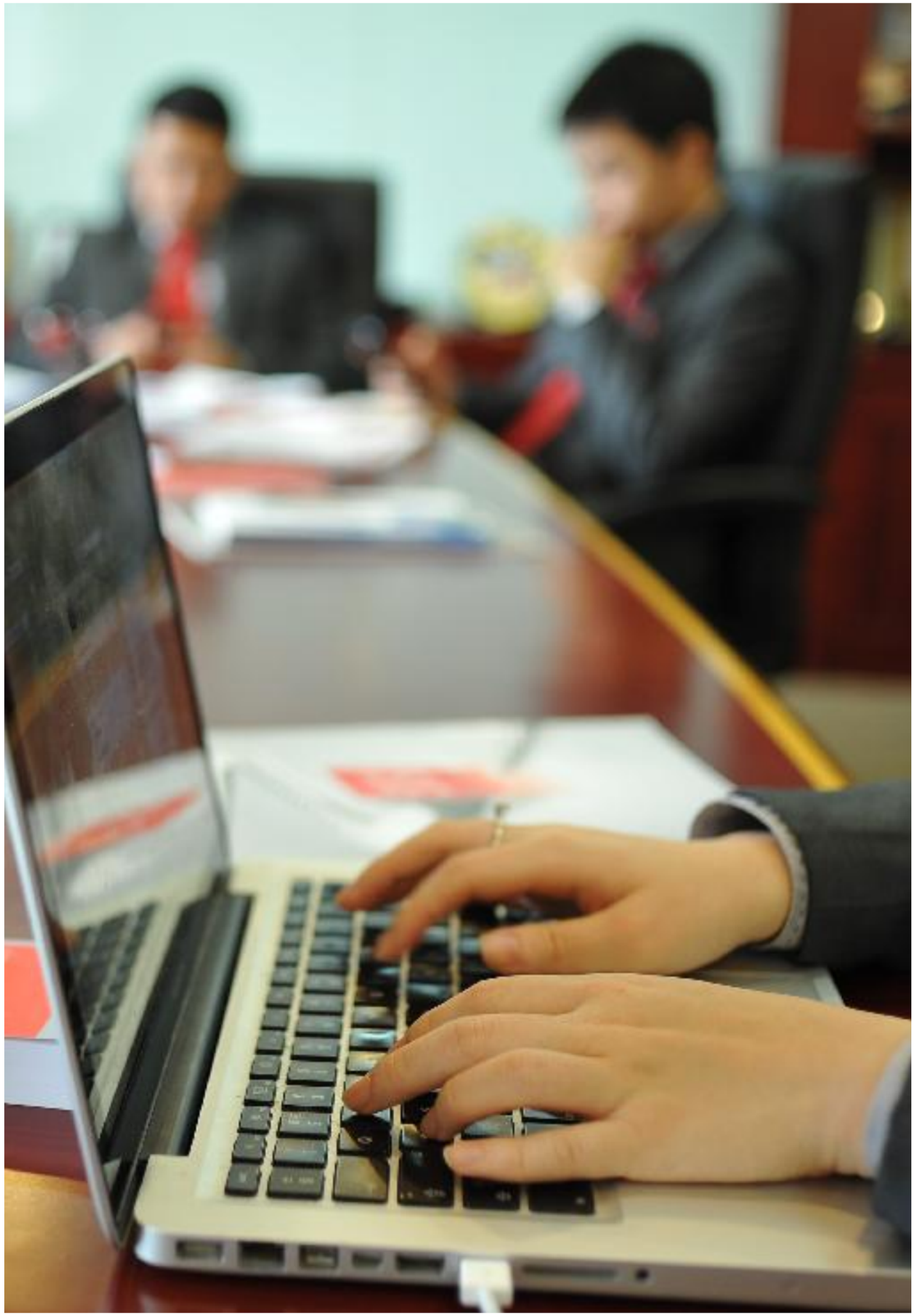
SSI understands the importance of its human resource foundation. SSI will strive to offer a clear link between business performance and employee remuneration, in order to have the best-incentivized team of professionals in the industry; whilst ensuring that this is consistent with excellent and just returns for SSI's shareholders.

SSI advisory services include not only consists of advisory in documentation and regulatory filing process but also extend to top quality advice provided by the high intellect of SSI select human resources, in order to help enterprises restructure and improve their business model. In the past year, SSI deployed substantial time to review and enhance the investment banking team through professional training and specialized courses such as the CFA program. The leadership of the investment banking team has been transferred to an ex-pat manager, in an effort to build investment banking capabilities according to international standards combined with deep local expertise. SSI is proud about its leading investment banking team with over 51% Master's degree holders and 100% staff with over 3 years of experience.

Apart from training knowledge and experience, SSI place great emphasis on professional ethics, acuteness to Government and SSI's regulations, and understanding of international practices. SSI understands that only the smallest mistake (whether as a result of a lack of experience or a mishap or a misconduct) by an employee could negatively affect our client and put at risk the long standing reputation of SSI. By standardizing the process of recruitment, training, talent management, we have effectively eliminated risks resulted from our human capital, launched long-term strategies for human resource development in order to deliver world class service to our customers.

TYPICAL CONTRACTS IN 2012

Contract	Content
EVNCHP4 **Share issuance advisory**	• Industry: Hydro power • Chartered capital: VND 1,003 billion • Issue 19.6 million shares via private placement • Issuing price: VND 10,000 per share • Capital raised : VND 196 billion
REE Corporation **Convertible bond advisory**	• Industry: Mechanics and Electronics (M&E) • Issued amount: 557,846 of convertible bonds via • Private placement (par value VND 1 million per convertible bond) • Issued price: 100% of par value • Coupon rate: 6% per annum • Convertible price: VND 22,000 per share • Term: 3 years • Capital raised: VND 557.8 billion
FLC Group **M&A advisory** **(Share swap)**	• Industry: Real Estate • Acquirer: FLC Group • Target Company: FLC Land • FLC Group issued 60,18 million shares to swap 51 million shares of FLC Land (swap ratio 1.18 : 1) • Total deal size: VND 510 billion
PG Bank **Share issuance advisory**	• Industry: Banking • Chartered Capital: VND 3,000 billion • Issue 100 million shares via public offering • Issuing price: VND 10,000 per share • Capital raised: VND 1,000 billion



ASSET MANAGEMENT



2012 HIGHLIGHTS

- Total Asset Under Management (AUM) as of end 2012: VND2,670 billion
- Awarded "Best Asset Management Company of the year" in 2012 by The Asset
- Named "Best Fund House" in 2012 in Vietnam and Ms. Le Thi Le Hang, SSIAM CEO was named "CEO of the year" 2012 by Asia Asset Management
- SSI Vision Fund (SSIVF) liquidated in November 2012, being one of the best performing domestic funds; outperformed market index over its 5-years life. SSIVF was also one of the very few funds that paid dividend (15% in 2009) and returned most of investment capital in cash to its investors.
- Completed in-house processes and IT infrastructure: operations-ready for Open-Ended Funds

In 2012, Vietnam's economy continued to face great difficulties; companies' underlying businesses continued to display weaknesses. For the majority of the year, both foreign and domestic investors' lacked conviction, remained on the sidelines and waited for signs of economic recovery. Many challenges in 2011 carried forward and persisted in 2012, causing great difficulties for asset management companies.

According to the State Securities Commission (SSC), at the end of 2012 there were 47 asset management companies with AUM of over VND 100.000 billion, triple of that in 2011. Total industry revenue increased by 2% compared to 2011 and total profit increased by 1% totaling only VND 30 billion. Asset management companies that were unable to raise funds had little investment options other than sporadic investments using their limited owners' equities capital base. Those with successful fund raising could hardly be more content, having to lower management fees as good token to investors during difficult times, as well as a medium to compete against one another. Some asset companies were knee-deep in prolonged net loss period and were under special supervision of the SSC due to their unhealthy financial conditions.

In such difficult economic settings, SSI Asset Management Company (SSIAM) was able to achieve some remarkable accomplishments:

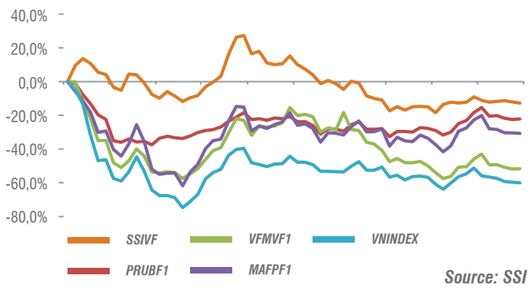
Sustained Revenue Growth

SSIAM continued to exert its best efforts in managing current funds and clients' portfolios, overcoming market difficulties, while constantly seeking for new funds and entrusted portfolio clients. After the liquidation of SSI Vision Fund, total AUM reached VND 2.670 billion. Revenue in 2012 totaled VND 42.4 billion, a 14% increase from 2011. Profit before tax reached VND 18.8 billion, increased by three times compared to 2011.

SSIAM's investment philosophy focuses on being prudent, bottom-up efficiency, and long-term growth potentials of underlying investee companies. As a result, most of our funds and client portfolios outperformed the market in 2012. Particularly, NAV of our Dividend Portfolio increased by 27% and our Balanced Portfolio increased by 20% compared to 18% return of the VNIndex.

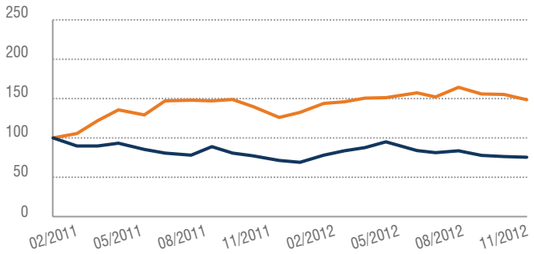
SSIAM's effort was recognized once more when the company was awarded "**Best Asset Management Company**" by The Asset and "**Best Fund House**" by Asia Asset Management. SSIAM's CEO – Ms. Le Thi Le Hang was named "**CEO of the Year**" by Asia Asset Management.

SSIVF performance (NAV)



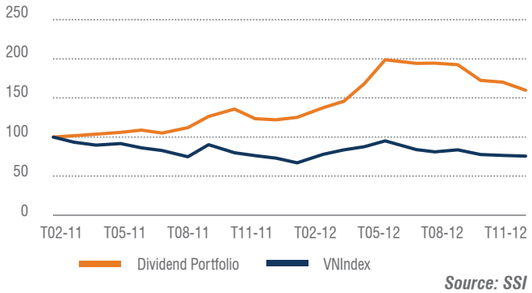
Source: SSI

Balanced Portfolio (NAV)



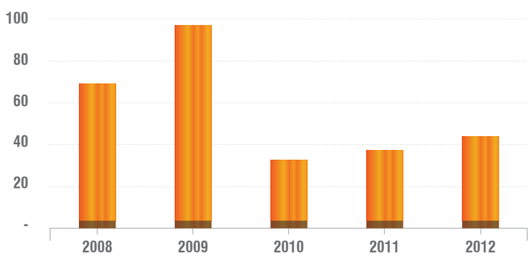
Source: SSI

Dividend Portfolio (NAV)



Source: SSI

Revenues



VND billion

Source: SSI

Strengthening capital mobilization and portfolio management service

As a professional, experienced asset management firm, SSIAM has and will always exert the best effort in managing every fund and clients' portfolios, enhancing the efficiency and transparency of SSI's investment activities.

In 2012, SSIAM introduced SSI Prestige – the portfolio management service aimed at wealthy retail clients and institutional clients. SSI Prestige provides an all-rounded investment solution including advisory, financial planning, investing strategy constructing, investment execution and post-investment management services. By the end of 2012, the number of clients using SSI Prestige increased two folds since the launching of the product, contributing to the increase of total asset under management for the year.

Effective risk management accompanied by prudent investment principle

In 2012 we continued to strictly manage operational costs through enhancements in operational processes and increasing use of technology to reduce human errors. Our in-house fund and portfolio management system, with a built-in transaction warning mechanism brought great support for better management of client assets and helped cutting down costs.

SSIAM also increased HR capacity in both quantity and quality to provide better services to our clients as well as to be ready for the launch of new products in 2013.

During 2012, SSIAM continued to restructure clients' portfolio, focusing on long-term investments. Investments that did not fit into our respective strategies were divested even if profits at minimum. Our investment team also actively sought out other investment opportunities to further enhance respective portfolios performances.

Supporting SSI's strategy of "Accompanying and Developing with Affiliated Companies"

In line with prudent investment policy, SSIAM continued to increase investments in leading enterprises in the Agriculture, Forestry, Fisheries and Consumers sectors. These sectors boast stable growths even in difficult economic conditions. In 2012, our Portfolio Managers represented SSI in the Board of Directors of eight (8) associated companies and in Supervisory Boards of nine (9) associated companies. Our people had actively coordinated with the investees' executives in constructing sustainable development strategies, placing more focus on quality of management, risk management, product quality and market development.



TREASURY



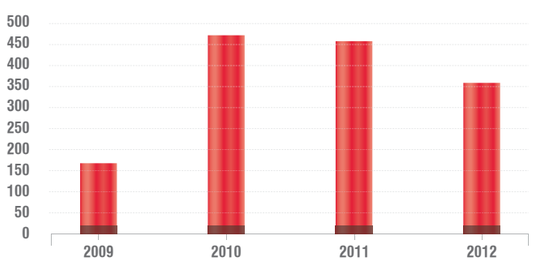
2012 HIGHTLIGHTS

- Total assets under Treasury reached above VND 3,500 billion.
- Ensured liquidity and managing investors' assets safely.
- Gradually operating Oracle Treasury System, optimizing management system, making cash flows management process more accurate, stable and effective.

In 2012, Vietnam's financial market continued to confront many challenges, including non- performing loans which have plagued the banking system, high level of interest rate volatility in the money market, the dramatic decline in the stock market and the a potential economic destabilization. 2012 was considered as one of the most challenging years for the stock market, which was severely affected by unstable macroeconomic conditions, the decline in foreign investment and liquidity shortages. As a result, many securities firms incurred heavy losses in core businesses, and therefore had to resort to illegal business activities. Market uncertainties eroded investors' confidence, thus negatively influenced customers' demand for financial products.

In tough economic conditions, SSI was able to manage investors' assets cautiously, ensured liquidity, and simultaneously sustained reasonable profits. These results have affirmed the efforts to improved efficiency in treasury operation despite unstable market conditions.

Revenue (VND billion)

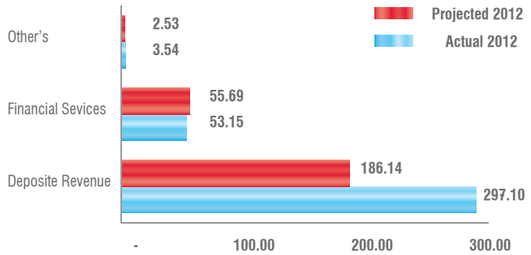


Source: SSI

Maintain fast and sustainable pace of development.

In 2012, SSI treasury accomplished its business plan with total revenue of 353 billion VND, which accounted for 42% total revenue of the company.

2012 Projected and Actual Revenue (VND billion)



Source: SSI

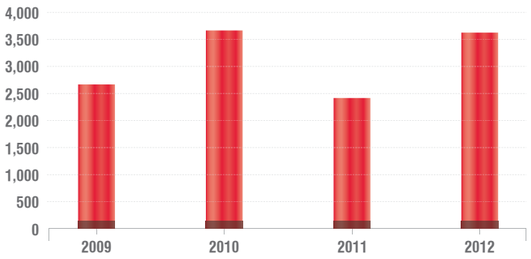
With advantages of strong financial capability, SSI has invested cash in bank deposits, bonds, repos & reverse repos, margin financing and so on. Additionally, SSI always maintains a great amount of liquid assets, with the purpose of making provision for liquidity needs, ensuring effectiveness of financial investment and taking investment opportunities in the market if necessary.

Regarding investment in bank's deposit, SSI always selects high credit rating banks, with the most reasonable interest rate. In 2012, revenue from bank's deposit activities reached 297 billion VND, making up 84% total revenue of SSI treasury department.

In addition, revenue from other financial products also contributed significantly to operating results in 2012. Total fee related

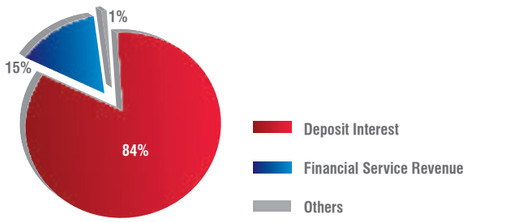
revenue reached 53 billion VND, including interest of margin financing activity and fees of advances to customers. This was the result of effective coordination between the Treasury department and Securities Service department.

Cash and Cash Equivalent position (VND Billion)



Source: SSI

Breakdown of SSI Treasury Revenue 2012



Source: SSI

Liquidity risk and market risk management are the priorities in 2012

In 2012, the banking system faced many challenges, including non- performing loans and liquidity shortages. As a result, many banks were on the edge of insolvency, thereby were required to restructure or get acquire by the other banks. Meanwhile, after positive signals in the first six months, the stock market continued to be affected by the instabilities in the banking system for the rest of the year, which prompted investors to remain on the sidelines. After a period of rapid growth, large numbers of securities firms have begun to display signs of weaknesses in management, leading to a situation of deteriorating liquidity, incurring huge losses that swept away total equity, and thus was suspended from operation.

In difficult economic conditions, managing investors' assets cautiously and satisfying clients' demand remained top priorities. SSI always selected banks with high credit rating, good liquidity position, and high quality of service to manage investors' money, and did not deal with banks that showed signs of instability and unsustainability. Moreover, SSI periodically re-evaluated all partners in order to early identify the ones with potential liquidity risk and to establish reasonable credit limits.

In 2012, SSI did not experience any forms of delays or insufficient money to satisfy investors' payment requests. Additionally, SSI did not have to expense emergency payment service from indicated payment bank. It can be said that investors have been satisfied with SSI's management quality. Once again, SSI's prestige has been confirmed when state-owned banks continued to increase the limit on overdraft facility for SSI. Therefore, SSI can quickly raise large amount of money to meet the demands of investors as well as of the company.

Optimize customers' benefits through diversified and safe financial products.

In 2012, margin-financing service became increasingly prevalent, providing investors with many more investment opportunities. At SSI, total margin financing limit for each customer can range from 50 to 100 billion VND, with the maturity up to 90 days while customers only have to pay interest from the day T+3. SSI was especially prudent in providing lists of stocks that were allowed margin trading and in identifying reasonable margin level to mitigate the risk to SSI and customers, at the same time still able to meet their demands. This product requires SSI to manage flexible the cash flows, and to sustain liquidity due to unplanned disbursement and loan withdrawal. SSI has established a coordinated process amongst all related departments, balanced SSI's and customers' interest in margin financing activities and at the same time maintained liquidity at a safety level.

In addition, SSI also supported customers in banking structured product transactions in order to satisfy their demand on long-term funds.

Short-term fixed income investment is another product offered by SSI. This is a financial product with very high level of safeness, helping investors to take full advantages of their idle capital but still ensuring flexibility.



AFFILIATED COMPANIES

Hung Vuong Corporation

National Seed Company

Bentre Aqua Products Import and Export JSC.

Southern Seed Company

Electronics Communication Technology Investment Development JSC

Pan Pacific Corporation

Binh Thanh Import Export Production and Trade JSC

CTCP Transimex - Saigon

Long An Food Processing Export JSC.

Accompany and develop with affiliated companies



Vietnam's Agriculture, Forestry, Fisheries and Consumer Good sectors have played an important role in Vietnam's economy and have achieved a certain position in the world market. In 2012, Agriculture accounts for 22% of GDP, 22% of export and 48% of Vietnam's labor force. In the world trade, Vietnam contributed 3 billion USD of rice export value, 6 billion USD of fisheries export value and 15 billion USD of garment and textile products. With a young and dynamic population structure, Vietnam has become a potential consumer market, promoting the development of Consumer Goods sector. However, some shared weaknesses of Vietnam products are low value added, not boasting strong brand awareness and not being as competitive as products of other countries.

Recognizing this issue, in 2012, SSI invested in nine associated companies, most of which operate in Agriculture, Forestry, Fisheries and Consumer Goods sectors and most of which are leading enterprises in their respective sector. These are enterprises boasting stable revenue and profit growth, high dividend, quality products that can compete in the world markets; having qualified management team, clear business strategy and transparent corporate governance. For example, National Seeds Company (NSC) has been experiencing 52% CAGR net profit growth over the last 5 years and annual cash dividend of 30% of par value. Bentre Aqua Products Import and Export JSC (ABT) have revenue growth of over 15% per annum and dividend payment up to 60% of par value.

With the plan of accompanying and development with associated companies, SSI has been assisting our associated companies to carry out business strategies, increase product value, develop scale and branding in the world markets. To achieve this, SSI has sent representatives to the Board of Directors of 8 associated companies, coordinating with the firms to create 5-10 year business plan, prioritizing long-term sustainable development goals over short term benefits. Within this strategy, value chain creation is heavily emphasized. By creating a value chain for products, companies will increase product quality via product source control as well as maintain the stability of the business operation. For example, Hung Vuong Corporation has successfully created a value chain in their business from fish feed, fish fingerlings, fish farming, to processing and exporting. Thus, the company is able to ensure its product quality and secure cheap processing materials for its export contracts.
With the strategy "Accompanying and developing with affiliated companies", SSI commits to assisting our associated companies with our financial resources and experience, to achieve the companies' long-term sustainable development goals.

STT	Company Name, Address	Areas of Business	Chartered Capital	Ownership	Business Result 2012
1	**National Seed Company** No 1, Luong Dinh Cua Street, Phuong Mai, Dong Da District, Hanoi	Manufacturing, trading, exporting and importing agriculture and forestry seeds. 3 main product groups: rice seed, corn seed and vegetable seed. Recently expanded into products in the same value chain including bio-fertilizer and premium quality rice.	100,298,380,000	20.00%	530 billion VND of revenue (101% revenue target of 525 billion VND), increasing by 13% YoY (469 billion VND). Net profit reached 81 billion VND, exceeding target (72.5 billion VND) by 11.7% and increasing by 18% YoY
2	**Southern Seed Company** 282 Le Van Sy Street, 1 Ward, Tan Binh Distric , HCMC	Researching, manufacturing, trading, importing and exporting seeds	149,923,670,000	20.00%	446 billion VND of revenue, increasing by 17.7% YoY. Net profit reached 67.8 billion VND, increasing 18% YoY.
3	**Bentre Aqua Products Import and Export JSC.** 9 Zone, Tan Thach, Chau Thanh, Ben Tre Province	Farming, processing, exporting fisheries and animal feeds	136,072,070,000	24.00%	634 billion VND of revenue (91% of revenue target). Profit before tax reached 96.78 billion VND (107.5% of profit target). Dividend 60% of par value.
4	**Hung Vuong Corporation** Area 44, My Tho Industrial Zone, Tien Giang Province	Farming, processing, exporting fisheries and animal feeds	791,976,690,000	20.00%	7,797 billion VND of revenue (104% of revenue target). Net profit reached 355 billion VND (65% of profit target)
5	**Long An Food Processing Export JSC.** 81B, 62 Highway, 2 Ward, Tan An City, Long An	Manufacturing, Processing, trading, importing and exporting agricultural products, fisheries, food products	147,280,190,000	20.00%	LAF maintains a stable revenue level of about 900 billion VND over the last 3 years. However, due to the sharp drop in cashew nut price in 4Q2011, LAF lost 150 billion VND. At the end of 2011, LAF has sold out high cost inventory and business operation has been stabilized and targets to achieve accumulated profit in 3-5 years. According to the company's financial statements, there's no long-term debt. Short term debt accounts for 65% of total capital and is balanced with Short term assets/Total asset ratio.
6	**Pan Pacific Corp** No 236/43/2 Dien Bien Phu Street , 17 Ward, Binh Thanh District, HCMC	Providing industrial cleaning services, trading and financial investment	115,500,000,000	20.00%	383.9 billion VND of revenue (107% of revenue target). Net profit reached 26.3 billion VND (175% of profit target)
7	**Binh Thanh Import Export Production and Trade JSC** 370 Bach Dang Street, 14 Ward, Binh Thanh District, HCMC	Manufacturing and Trading home furnishing products made from garments such as backpack, suitcase, and garment and textile	139,245,880,000	25.30%	940 billion VND of revenue (33% increase YoY). Net profit reached 54.6 billion VND (22% decline YoY)
8	**Electronics Communication Technology Investment Development JSC** 18 Nguyen Chi Thanh Street, Ngoc Khanh, Ba Đình District, Hanoi	Providing software and system integration, full turn-key solution and engineering services for telecommunication and national security … field	366,249,090,000	20.00%	426 billion VND of revenue (66% of revenue target). Net profit reached 115.3 billion VND (78.2% of profit target)
9	**Transimex Saigon JSC** 9th, 10th Floor - No 172 Hai Ba Trung Street, Da Kao Ward, District 1, HCMC	Providing logistic services to import export trade business	230,738,240,000	20.00%	385.7 billion VND of revenue. Net profit reached 81.87 billion VND. The company is paying 15% dividend of par value a year.

REPORT

CORPORATE SOCIAL RESPONSIBILITIES













At SSI, we advocate innovation and dedication to the Environment and to Society at large rather than only focus on developing our own business or raising our own profits. In line with our slogan to "The Business of Success", SSI volunteers to cooperate and accompany on the way of sustainable development with our Shareholders, Partners, Customers, Employees, Community and other Stakeholders.

Typical numbers

Top 10	Listed companies, which strictly comply with transparency rules regarding disclosures of business information (according to Vietstock's report in 2012)
51%	Of management team is female
80 hours	Training hours per person per year
VND 112.5 billion	Taxes remitted to the State Budget
VND 8 million	Health insurance fee per person per year
VND 2.7 billion	For donation activities
100%	Of affiliated companies have achieved standard quality management certifications
100%	Of affiliated companies publish their engagement to protect our environment

Stakeholders	Our engagement
Shareholders	First, we commit to bring optimal profits for our shareholders. As a public company, transparency of information is necessary. We commit to disclose information on our business activities and on our financial situation to our shareholders in an accurate and timely manner. SSI financial reports are updated on a quarterly basis on its official website, providing shareholders with a comprehensive and reliable picture about the Company's capabilities. Our Investor Relations department has the duty to answer all inquiries related to the Company's operations and plays the role of information center of SSI for our investors.
Customers	SSI team always spends much effort to find solutions, develop advanced products and services in order to provide maximum satisfaction to and deserve highest trust of our customers. We commit to work with Customers in the protection of their legal rights and in the prevention of conflicts between Customers and other stakeholders.
Employees	SSI commits to build a honest, modern, secure and confidential working environment, a competitive and fair compensation scheme in term of both financial and non-financial benefits. We deeply understand that in order to achieve success until today, the company needs long-term commitment and satisfaction of our employees.
Community	SSI volunteers to fulfill the social responsibilities of the company and to contribute to the development of our community. In addition, we understand that the development of the community in which, we operate would significantly enable our company achieve success and sustainable development. We take initiatives and encourage our employees, in participating in social activities and in bringing social benefits to communities in Vietnam.
Local governments	SSI commits to strictly comply with all regulations, because compliance with the law is a primary condition to allow sustainable development and for the optimal prevention of risks. At SSI, the system of processes and regulations has been built in order to achieve full implementation of compliance to regulations for each department, each function and each employee level. SSI commits to actively advise the government in the strategy and development of the rules and regulation of the securities market.
Other business partners	Our business principle is to "The Business of Success", SSI tries to balance the benefits for SSI with those of its business partners and to avoid conflicts of interests with them. SSI actively provides to investment consulting and financial assistance to businesses, which have the potential to achieve sustainable development, in order to help them expand their business and actively participates with them in community and social efforts.



MARKETPLACE

We consider that making the market transparent and stable is our responsibilities and benefits in any of our activities.

Transparency in any activities

A transparent market will keep investors trust and commitment. Especially in financial market where there are many of fluctuations and risks that significantly affect customers' benefits, transparency plays an important role in organizations' fast and solid development.

As a leading company in Vietnam stock market, SSI always is transparent in all its activities. All information regarding the company's business activity and financial situation are disclosed on periodic basis, as required by the securities regulations. SSI chooses Ernst & Young Vietnam, one of four leading independent audit companies in Vietnam as our partner, to audit and assessor operations, according to Vietnam auditing standards.

Shareholders, Customers and other stakeholders can get updated information on SSI on our public website and on the website of the State Securities Commission of Vietnam.

Compliance – Safety – Security is the first responsibility of SSI in protecting and balancing the benefits for SSI and our investors.

SSI always strictly complies with regulations, especially with regard to tax obligations. In 2012, SSI paid some VND 112,5 billion in taxes.

In compliance with trading rules of our regulators, SSI has eliminated all products that provide financial leverage and ways to go around the rules. Based on this policy and our accurate assessment of the market conditions, SSI have been able to preserve the legal rights of investors and to balance between benefits for SSI with those for investors. During 2012, there is no case of customers running short of liquidity as a result from using financial leverage tools. SSI is quite proud to be one of a few securities firms, which have strictly complied with SSC regulations regarding risk management and transparency, and have contributed to a strong stock market for Vietnam and to the increased attractiveness for international investors.

Besides, the confidentiality of personal information and trading details of Customers has been strengthened the trading environment for clients and for the entire stock market as whole. SSI strictly complies with data backup and storage process and constantly monitors and look out for potential weaknesses such as security holes, intrusions and viruses. SSI regularly cooperates with leading IT security firms in the evaluation of the company's system and in the development of overall security strategies.

A modern technology infrastructure is along with Vietnam's stock market development

Software systems are constantly developed, updated and upgraded in order to ensure reliability and flexibility in the delivery of the products and services needs of clients. SSI is always one of the first securities companies to comply with the standards and pass the tests, required by the State Securities Commission, the Stock Exchanges, the Vietnam Securities Depository and other related parties.. Clients can have access to SSI website in order to take advantage of many benefits and efficient support for on-line trading.

SSI Smart Trading, Web Trading, Contact Center and SMS software were upgraded with new functionalities and utilities, allowing clients to trade faster and more efficiently and security. SSI web portal has also been constantly upgraded both in terms of content and in terms of speed. Besides providing on-line electronic information about the company, SSI website provides tools and research reports to assist investors in investment decision making and constitutes an efficient portal for electronic trading through SSI. In 2012, using our self-developed software, SSI was the first securities firm in Vietnam to successfully connect with two major global trading networks, Bloomberg and Reuters. This successful connection allows SSI to directly trade with global financial institutions more efficiently, faster and with more accuracy.

Assuring smooth information flow to Investors

SSI's investor relations focus on two main objectives: to pro-actively provide information to investors and respond to request for information by investors.

SSI's website is the most complete channel of information with updates about the company's business activities, company announcements, financial information data, investor meeting materials and other important corporate documents such as the company's Charter and Corporate Governance materials... Historic information has been stored on the website since the establishment of the company and has been continuously updated; as a result, investors can have full information about the history of SSI. The website is written in two languages, English and Vietnamese, providing convenience for both foreign and domestic investors.

Besides the information pro-actively provided by SSI, any investors can contact the company's Investor Relation group or any other authorized persons to access the information that they require. (Provided that this information is allowed to be disclosed to the public).

With the objective of providing a smooth information flow to Investors, the company has built a complete organization structure of human resources, infrastructures, process and systems, internal regulations and internal controls. The rights of Shareholders to receive information are detailed in the Corporate Governance Regulations of the company, the Information Publication Rules and widely disseminated on SSI website for review and action by investors.

In 2012, Vietstock website www.vietstock.com has qualified SSI website as one of the companies, which have performed the best the requirements under the securities regulations to provide transparent and timely information to Investors.



WORKPLACE

SSI commits to create a honest, modern, safe and secured working environment; create a competitive and fair compensation scheme both in terms financial and non-financial benefits.

A stable, secured and modern infrastructure system constitutes minimum benefits for the work environment for SSI staff, which serves as a solid basis for daily business activities at SSI.

SSI's infrastructures including servers, firewalls, network devices and network connections are continuously upgraded and modernized in order to meet current demand and future expansion requirements. In 2012, SSI deployed a project to restructure the entire company's internet and security network and equipment, as well as data transfer channels. This project was a combination of design, selection and implantation of information technology with the highest standards. Its successful implementation was an important step that brought SSI system infrastructure to the next level of confidentiality and efficiency.

Ensuring employee benefits and developing talent management programs are key objectives for SSI to become the center for talents in the market for highly qualified human resources.

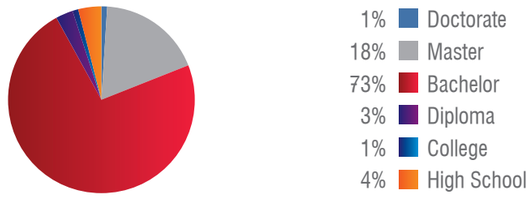
Complete compensation policies based on job requirements and work values. Further to advice by Mercer Consulting, the classification system of job positions has been standardized according to international practice. The review of compensation policies will finalized in 2012. Accordingly, employee compensation is based on the job requirements and values of the job position. This policy assures internal fairness and encourages our employees to compete and develop their own abilities. Meanwhile, SSI's compensation policies remained competitive on the labor market, which help attract more qualified candidates to work for SSI. In particular, with regard to compensation policies for brokers, we developed and implemented efficient commission policies, which brought concrete results in terms of increase of revenues and development of client base.

Maintain and develop benefits policy for employees. Even though the company had to face many difficulties, SSI still maintains the annual health check and advanced health insurance benefits for senior employees. Total expenses paid for advanced health insurance exceeded VND 3 billion in 2012. This benefit helps protect the health of employees and a competitive advantage for SSI in attracting and retaining highly-qualified workers.

Career development policy. Besides providing competitive compensation and benefits, we also focus on providing training and career development for our employees. In 2012, SSI reviewed securities certification for staff who are required to hold a securities license and organized training classes and examinations as required under the regulations. In total, some 126 employees completed their securities certification. Besides, SSI Board of Management paid attention to specialized training, especially for senior management levels in 2012; we gave financial support for the professional training required for the job for two (2) directors, bringing to 13 directors who have received so far financial support for professional training.

SSI has also developed internal recruitment whereby, each employee can search for internal suitable positions, which could strengthen their abilities and the employee can apply for internal transfer. In 2012, a number of staff were recruited internally and successfully met the requirements of their new job. This policy has proven to be appropriate not only for the enhancement of the ability to transfer and rotation of human resources among departments but also for the development of career opportunities for SSI staff.

Education



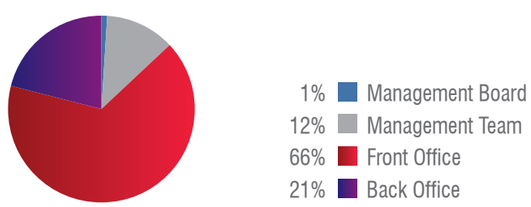
Gender



Gender ratio in management team



Human resource structure in function





SSI deployed efforts to create a good working environment by successfully developing SSI corporate culture

12 years – a sufficiently long time for SSI to develop its own corporate culture, which is always respected, maintained and enhanced through successive generations of staff. This culture expresses itself in daily behavior and it is a stable basis, which helps SSI overcome difficulties towards a brighter and stable future.

Each of our employees behaves according to standards that are stipulated in SSI Code of Ethics.

SSI Code of Ethics was issued in June 2012 to include principles, descriptions and guidance for the implementation of the code of conducts and ethics, for the purpose of achieving highest level of professionalism, and the increasingly higher ethics required by the Society and our customers..

According to this Code, SSI employees are directed to comply with legal regulations and code of business standards and to behave with the same standards during and after work hours. On the one hand, this policy is one practical tool to help build SSI's corporate culture; on the other hand, it helps improves SSI brand in general and more specifically the brand name of our employee.

Professionalism, Innovation, Accountability, Dedication and Sharing with colleagues constitute the corporate culture of SSI.

In 2012, we launched a new version of uniforms with two main colors, grey and red. Wearing those uniforms is one of way for SSI employees to show their professionalism, their dedication to serve well both internal and external customers.

Besides a clear organization structure and a logical division of labor, SSI always appreciates teamwork to achieve high efficiency. SSI believes that an organization needs to be based on the spirit of co-operation, communication sharing and together decide direction for development, the ability to take advantage of our own strengths and to limit our weaknesses SSI successfully built a professional team with polite behaviors and everyone is encouraged to positively contribute to SSI corporate culture.

Sharing of accurate and timely information is key in the development of SSI corporate culture

Two-way information sharing between Managers and Staff is always encouraged through internal surveys, e-mails, on-line votes or through the company's intranet. In particular, Senior Management always pro-actively keeps track about business results and new staff policies through internal information network in order to give directions throughout the company.

Even though SSI's internal communication network was just completed recently, it has played an important role in connecting people. It is considered as "a camera", which circulates in all the paths in the life of employees, for the purpose of connecting all the members of SSI family. Our SSI Forum is frequently updated with current contents and images to become a center for the sharing of experiences, funs and sadness in life and at work. SSI Insider newsletter was launched twice a week for the first time in 2012, with ample content information about the life and work of the inhabitants of our company.

Care and development of the spiritual lives of our employees is a focus of attention of Senior Management

The company's Annual Gala is an opportunity for everyone to review the previous work year, to plan the new year , to connect and enjoy exciting team building activities. On this occasion, we organize competitions in order to develop the spirit of competitiveness and the relentless energy of employees, in particular the votes for Events of the Year, Employee of the Year and Leader of the Year.

At same time, several group activities take place such as Photos Contest groups, Football teams, Tourism, Tennis and Chess competitions ... in order to strengthen team spirit and encourage communications after stressful work hours. In 2012, SSI football team also played some matches with teams at other securities firms, banks and other local agencies.

SSI also celebrated important events such as International Women Day, International Child Day...with detailed and creative organizations Admission to those programs is open not only for employees but also to their family and relatives, which meant that SSI has become "A Big Family with many grandchildren", which enjoy happy gatherings for each special occasion.



COMMUNITY

One of nine (9) core business principles of SSI is "We strive to better the communities in which we work". Under this principle, SSI has focused on the benefits of the community through social activities. During last 12 years of development, SSI pro-actively developed education and gift-giving programs for young people as well as activities for the community to help build a better society. In 2012, there were three main aspects of SSI's community activities, including:

Education development

SSI understands that the quality of human resource is key in building a knowledge-based economy, to enhance Vietnam's position in the world. In 2012, we focused on improving infrastructures in some schools in mountainous areas, more specifically:

- **Completion of Community Training Center in Cao Bang**
  On 30 July 2012, the Community Training Center at Quang Han, Tra Linh, Cao Binh was completed, providing convenient space for both local workers and professional training for inhabitants of this far located community.
- **Providing school equipment for poor pupils in Moc Chau**
  In 2008, SSI gave financial support to build Chieng Hac School in Moc Chau for80 ethnic pupils who live in poor conditions and who risk quitting school early. In 2012, SSI employees volunteered to organize donations for the students including money, books, writing papers, school equipment at the beginning of new school year.
- **Program "Good jobs at year end – Warm Tet for Children" for the poor in Cao Bang**
  Along with affiliated companies, including Vietnam National Seed Corporation (NSC) and Electronics Communications Technology Investment Development Joint Stock Company (ELCOM), SSI cooperated to organize donations for poor children at Preschools, Primary school and Secondary schools in Son Lo and Son Lap, Bao Lac, Cao Bang. In those locations, 90% of pupils are ethnic people struggling against difficult living conditions. They do not have minimum conditions for study and some of them had to quit study. On this occasion, SSI, along with affiliated companies gave them study tools, life equipment and 30 scholarships for 30 best pupils (each scholarship equals one year school fee).

Elimination of hunger, Poverty Reduction, Disaster Relief

Within the Government principle to regarding the elimination of hunger, Poverty Reduction and Supports for poor people, SSI organized many donation trips to mountainous regions in the North and Central Vietnam.

- **Donations for Fund of supporting Quang Ngai fishermen**
  Suffering from severe natural disasters, fishermen and ships were flooded while limited Government budgets were not sufficient to help the relief of affected fishermen in Quang Ngai. Hence, in August 2012, Quang Ngai's Peoples Committee officially launched a Fund to support Quang Ngai fishermen. In an effort to help fishermen get back to work while legally living and protecting oursoverеignty on the islands, we donated 200 million VND to the support Fund.
- **Visiting and gift-giving to poor people in Thieng Lieng Island – Can Gio**
  In a sharing of difficulties with poor people, SSI employees volunteered to visit and organize donations of useful equipment for poor people in Thieng Lieng, Thanh An, Can Gio.
- **"Love sharing" Program for poor children at Tu Hanh Pagoda, in Binh Tan district, Ho Chi Minh City.**
  With a deep understanding of their loneliness, SSI shared their love and possessions with orphan during the holiday season. We chose Tu Hanh Pagoda, in Binh Tan district, Ho Chi Minh City to make donations. Our staff in Head Office and Nguyen Cong Tru branch visited and directly gave books, study equipment, clothes and toys to children at the orphanage during the 2012 Mid-Autumn Festival

Back giving activities

As we now live in a peaceful country, we never forget the heroes and martyrs who dedicated their lives to fight for peace in Vietnam. Our management team focused special attention to gift giving activities for the poor families of heroes. We joined the "Care for families suffering from political conflicts and for the poor in Tet 2013" program that was organized by the Vietnam War Front Committee in Ben Nghe, in District 1 of Ho Chi Minh City.

Beside our three main initiatives in community activities, we focus our attention through our investment plan, on the stabilization of the economy for Vietnam society. In 2012, SSI investment plan focused on the primary sectors, in which Vietnam has competitive advantage such as Agriculture, Forestry, Aquaculture and Consumer Goods. We believe that these sectors have not only great potential for sustainable development but also they create many job opportunities for about 80% of workers in Vietnam. Focusing on the value chain, SSI along with affiliated companies will aim to enhance the quality of products starting from the seeds to bring about competitiveness of the end products. We also strive to improve traditional economic sectors in order to enhance the living standard of millions of people who are devoted to these sectors.

ENVIRONMENT

With investment plans oriented towards Vietnam's key economic sectors, SSI focus on Agriculture, Ffisheries and Consumer sectors; potential companies with long-term business and with environmentally-friendly solutions; research and production of agriculture towards the durable development of Vietnam's Agriculture for the good health of the community research and development of products that can potentially cure diseases, so that the use of chemicals could be minimized in the cultivation of seeds.

Always prudent in our investment activities, we paid particular attention to all the processes of productions, from seeding to processes, packaging and exports. We believe that if wastes resulting from activities in agriculture sectors are not resolved with standardized process, they could become harmful for the environment and for nature. If these wastes were efficiently treated, good economic efficiency could be achieved. Otherwise, agriculture wastes could cause pollution for the environment and negatively affect for the health of consumer. With the objective of protecting our environment, we support our affiliated companies in the research, production, industrialization and modernization in order to increase the quality of seeds and animals. On the one hand, we can assure clean products from seeding to animal breeding in order to protect the health of consumers. On the other hand, we can help our affiliated companies eliminate harmful factors for our environment.

Although our business activities do not directly affect the environment, we believe that we should directly or indirectly



work together with the community in order build a clean, safe and sustainable environment for future generations. This is the main reason why we chose to invest in key competitive economic sectors of Vietnam. 100% of the companies, which SSI choose to work with have sustainable development plans and have plans to development management processes with international standards of quality, with special commitment to protect the environment. In particular, most noticed companies include Aquatex Ben Tre – ABT, which already have certifications from GLOBAL G.A.P, MSC CoC, BRC, ISO 9001, HACCP, EU Code DL 22 and HALAL. Accordingly, ABT has been permitted to relase its waste waters into the environment. Other companies such as Hung Vuong Corp (HVG), ELCOM and Gilimex ... also have obtained international certifications to be allowed to export products to the USA, European Union, Australia, Russia, the Middle East and South America. These facts support our commitment to indirectly respect the environment in our investment plan.

Special respect of the environment and attention to social security arekey objectives in SSI corporate culture. In 2012, SSI management team encouraged employees to protect environment by saving papers, electronic products and water. This message is widely published through our internal networks. We launched the program entitled “Green SSI”, whereby all paper-documents are transferred to electronic documents. All of internal announcements are posted online through Emails, Website, Intranet and our SSI Forum. Documents of products and services presentations are transferred electronically in order to reduce paper usage and protect our forests. Especially, SSI Annual Report is published online for the first year, in order to protect the environment on the one hand and on the other hand to provide more convenient access for Shareholders, Customers and Investors.















2013 BUSINESS PLAN

Taking Chances, Bouncing for Development

Succeed Together



2013 ECONOMIC HIGHLIGHTS



We expect the Government to attempt at a comprehensive pro-growth solution in 2013. Meanwhile we reiterate our view that macro stability should set precedence, therefore careful observation on the implementation processes in the months ahead are critical. In short, we do not expect a comprehensive recovery in 2013 as the economy remains depressed and inflationary risks persist. Progressively, to resolve the lingering issues overshadowing growth, macro stability should set precedence and the Vietnamese Government has to reconsider and revise its growth target for 2013-2014 to shift towards a healthier growth model and to resolve bank bad debts, which have affected the banking system and the eroding property market.

2013 MACRO OUTLOOK - DELEVERAGING CONTINUES WITH BELOW AVERAGE GROWTH

GDP growth to be below historical average

As mentioned, in 2012, Vietnam experienced a modest trade surplus, which subsequently led to modest GDP growth. In 2013, we believe net exports will decline with higher import growth and lower export growth while we remain cautious about investments and government spending (*discussion provided below*).

Regarding consumption, domestic demand was weak in 2012 with inflation-adjusted retail sale growth reaching 6.2% YoY. After a difficult 2012, when economic restructuring has intensified pressure on employment, households will likely remain cautious in 2013. Inventory garnered a lot of attention as it rose 20% during in 2012 (however the methodology used to calculate inventory remains ambiguous). The Government has made some attempts to boost consumption, including eliminating the limit for consumer credit and encouraging the purchases of Vietnamese-made goods, ed. In short, we expect nominal consumption to accelerate by 19% in 2013 as compared to 16% in 2012, which will be the engine to drive 2013 GDP at 5.3% (well below 2011-2015 target of 7.5% and historical average 2004-2010 of 7.33%).

Investments will not be strong

Firstly, **for public investment**, target published established for 2013 is roughly VND 175 trillion (lower than that of VND 180 trillion in 2012). If adjusted for inflation, the number should further diminish. As the government limits new project start-ups in 2013, seemingly this investment budget is targeted at existing projects, mostly to clear the infrastructure project debt carried over from last year (estimated at VND 90 trillion). It should be noted that public investments advanced 9.6% YoY in 2012 (Source: GSO). Although effectiveness in public investments could not cultivate overnight, we do see a more stringent supervision in these projects and take comfort in knowing measures are implemented accordingly. Acceleration in equitization (not only IPO, but also minimizing State ownership in large SOEs) and increasing foreign ownership limit could spur favorable results for public investments.

Secondly, **for private investments**, as lending and deposit rates would be lower than 2012's average, conditions for private investments would become more favorable. However, we note that investments decisions have a strong correlation with the deleveraging cycle. In order to reduce debt ratio, companies and individuals have to curtail spending and investments. Loan to Deposit Ratio (LDR) of banking system stood at 90% by end of 2012 (a reduction from 103% by end of 2011) and is expected to reduce to 80% by end of 2013. As deleveraging is expected to persist, we do not foresee growth in private consumption this year.

Lastly, **foreign direct investment**, FDI commitment and disbursements in 2012 totaled USD 13.01 billion (15.3% lower versus 2011) and USD 10.46 billion (4.9% lower YoY), respectively. The MPI estimated that in 2013, FDI commitments and disbursement are expected to reach USD 13-14 billion and 10.5-11 billion, or identical to 2012's figures.

However, investments and other GDP components are correlated. FDIs in Vietnam have recently shifted to the manufacturing sector (and we expect that supporting industries would soon participate), so at the end of the day, we should witness a healthier growth in exports as Vietnam would enjoy a greater advantage in the global value chain. The trend of rising hi-tech exports should continue in 2013 and the years ahead with the participation of more players (Samsung, Intel, Foxconn and a number of Japanese manufacturers). However, growth in high-tech exports is expected to be lower than that of 2012. We expect faster hi-tech exports growth starting in 2014, and in the meantime, with fewer restrictions on imports, we forecasts

the trade balance to revert to a deficit (around USD 4 billion) in 2013.

Inflation risk remains, interest rate cut is not permanent. In 2012, inflation base was relatively low, thus, further complicating matters for the Government to achieve CPI's target of 6-6.5% in 2013 (Historically, a low inflation year is typically superseded by a high one). The major component, Food and Foodstuff rose only by 1% in 2012 (2011: 24%, 2010: 16%, 2009: 6%) will likely pose serious risks in 2013. Domestically, improved control of cheap/unhygienic imported foodstuff would increase the selling price to offset rising costs (animal feed, ...) of domestic producers.

In 2013, economic groups will likely continue to raise their selling price for Petroleum products, Coal and Electricity. For Vinacomin, it was reported that selling price of coal to the electricity sector was only 70% of its cost (Vinacomin has incurred a loss of VND 6.5 trillion in selling coal to EVN). For EVN, it was reported that the state had to subsidize the electricity provided to the low income group and Petrolimex announced they only booked 70% of selling expense into gasoline selling price. Seemingly, the economic groups have reserved a practical reason to raise prices, and if not, their 2013's business plan might be lower. Our estimates showed that electricity and coal price applied for electricity companies could increase by 13% and 40%, respectively. Thus, the burden on price level does exist as these prices could induce a domino effect for other domestic commodities.

In short, we conclude that YoY inflation might slightly retreat in 1Q, advancing in 2Q, more or less constant in 3Q and return to advancing in 4Q12. As inflation might recede in late Q1 2013, chances for lower policy interest rates in late Q1 or the beginning of Q2 2013 are high. Subsequently, it will be somewhat complex as CPI is expected to rise once again. We believe that the Deposit Interest Rate ceiling could decline to a minimum 7% in 2013 (currently 7.5%) and subsequently, chances are the ceiling rate might be abolished. We believe that on average, lending interest rate level could fall below 2012's level, in the 10-14% range depending on industries. Access to loans might be easier for some, but if only there is a transparent solution for bad debts in 2013 (i.e. the VAMC). Please note that Government bond issuance might increase in 2013 to satisfy increasing demand for infrastructure developments in the context of current budget constraints and poor access to credit. If this is the case, chances for permanent low interest rate are implausible.

Stable (but not as flat as 2012) VND/USD exchange rate
Overall balance of payment totaled roughly USD 10 billion in 2012 and SBV expects the surplus in 2013 to reach USD3 billion (as they forecasted import to recover in 2013). However, SBV would still attempt to enhance forex reserves by amassing additional gold. With higher inflation expectations, we expect the VND to depreciate slightly against the USD (3% at most) to a healthier balance between the two currencies. The Gold bar market stabilization remains a difficult challenge in 2013 as the gap between local and global gold bar price still need to be reduced and it is almost inconceivable to convince Vietnamese people to modify their habits of amassing and holding physical gold, therefore the plan to discourage gold holding (in a context of low deposit interest rates and uncertain inflation) remains ambitious.

2013 MARKET OUTLOOK & STRATEGY: RISKS PERSEVERANCE, OPPORTUNITIES REAPPEARANCE

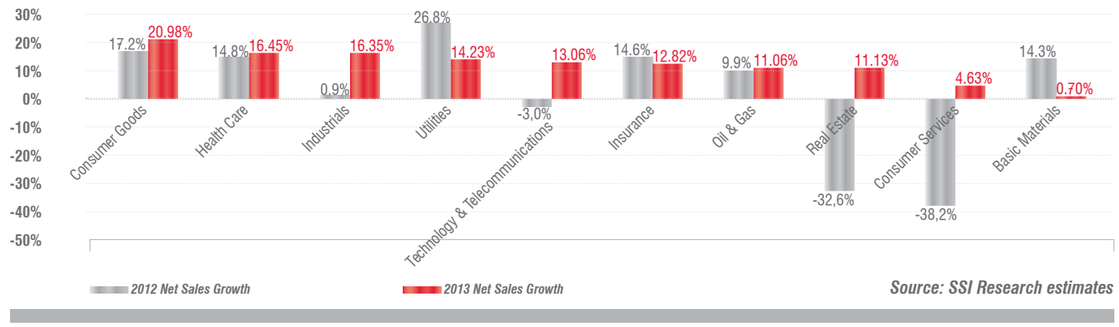
Overall, we believe risks in 2013 will parallel that of 2012. In 2012 the economy faced lackluster and glacial pace economic progress and difficulties are expected to last until 2013. As noted in our report titled 2012 Strategy Note: Flying Dragon or Dragonfly, we expect (1) Banking reform and (2) SOEs reform to be implemented last year. However, nominal measures have been properly executed and to an evident extent, the economy cannot sustain another stagnant year. When the Government announced solutions to tackle unresolved bad debts and the stale property market in late 2012, the market rallied as investors gained confidence. However, we were skeptical about the rally as statements released were mere words and have not parlayed into meaningful actions. We list the issues plaguing the economy in order of importance: (1) unresolved Bad Debts, (2) protracted SOEs inefficiency, (3) weak aggregate demand, (4) Inflation risk, (5) Budget deficit and (6) Oversupply in the property market. We believe if the first two issues are properly addressed and positive results are witnessed as a result, investor confidence could be enhanced and stock market performance could improve. This explains our high level of confidence for opportunities in 2013 than in 2012. 2013 provides the Government with a narrow window of opportunity to emphasize and implement stern actions. Hesitation is unwarranted.

We believe that the market will remain positive in Q1 2013 and possibly in Q2 2013. To bolster confidence, the Government needs to take bold actions before the National Assembly Congress in May 2013. Bad debts require the recapitalization of banks and this can take place in 2 forms: (1) extension of Foreign Ownership Limit and (2) VAMC. Initial plans on the VAMC and an increase of Foreign Ownership Limit both directly and via non-voting shares were announced. Some resolutions to bailout the property market were also announced. At the time of this report, we believe more news will transpire regarding the implementation mechanisms and schedule of the announced resolutions. The stock market will be driven by the above news, especially for the stocks in which foreign ownership room have reached maximum limit.

H2 2013 would be too insidious to predict. Implementation is a word easier said than done. Inflation risk might rebound and together with state budget constraints could possibly hinder the chances of aggressive fiscal and monetary easing, thus exacerbating economic difficulties. The market could only be encouraged to move up if banking reform and SOEs reform demonstrate concrete progress and investors' confidence is restored. In such a case, the stock market could be supported by fundamentals factors rather than mere improved liquidity and technical measures.

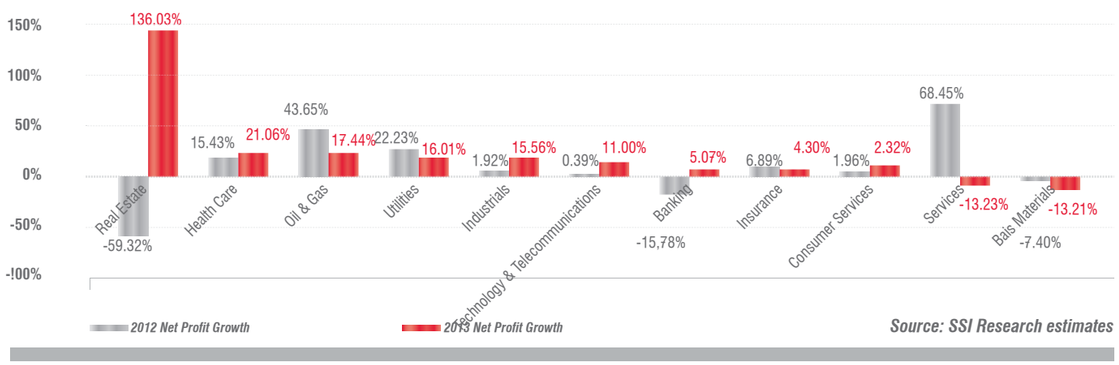
Regarding earnings estimates, our estimates for 55 listed companies with market cap of over 70% of HOSE's market cap reveal that estimated sales growth for 2012 and 2013 are 4.5% and 12.1%, respectively. Estimated net earnings growth for 2012 and 2013 are 2.4% and 10%, respectively. Estimated 2013 EPS growth is 6%. On 18 Jan 2012, our proxy of the stock market P/E Ratio stood at 10.2x, which is 22.5% higher than a low of 8.33 X in the P/E Ratio that was recorded on 20 Sep12, but 75.7% lower than the market PER peak of 42x reached in March 2007.
On the surface, earnings outlook is more positive in 2013 on the low base of 2012. Although 2013 EPS growth estimate is only 6%, we believe the VN Index could experience much higher growth during the year, energized by optimistic view on Government's actions to address the economic issues and technical measures to boost liquidity such as an extension of Foreign Ownership Limit. With market, P/E Ratio at the end of 2012 at around 9.8x, 15-20% market upside in 2013 is plausible in our view.
However, as mentioned earlier, risks still persist. It is always the case when investors monitor what the Government does, but not what the Government says. In the worst scenario, the upside is just a short-term jolt, and everything will revert to fundamentals.

Estimated Net Sale Growth



Source: SSI Research estimates

Estimated Net Profit Growth



Source: SSI Research estimates

2012 OBJECTIVES - PLAN



TARGETS AND ORIENTATIONS

Based on the view that global economies will still face many difficulties and that the Vietnamese stock market will not likely a sharp recovery anytime soon, SSI has prepared necessary resources and detailed plans to cope with the challenges in 2013.

Objectives:

- Develop business activities, gaining higher profits than in the previous year, securing capital preservation for Shareholders;
- Firmly stand as the first leading company in terms of market share, services quality in securities brokerage services;
- Retain the position as Best Advisory in Investment Banking services with efficient advisory services and products that will cater to new market trends.
- Retain the reputation as Best Asset Management Company and to achieve reputable awards for asset management activities;
- Achieve optimized profits from treasury and financial investments in most secured ways and with highest margins;
- Be the best destination for talents in foreign and domestic financial markets
- Continue to contribute practical contributions to the community and to society

General orientation:

- With the policy of "Together develop with Partners", SSI will support affiliated companies to take advantages of domestic opportunities, enhance the efficiency of production procedures and value chain, improving the quality and diversification of products;
- We will retain and develop the strengths of SSI's key business units, including brokerage and securities services, investment advisory and investment banking. We intend to be the first company to apply new services carefully in order to provide the most efficient, flexible but safest products and services for investors; continuously expand foreign and local customer base;
- We aim at continuing and enhancing the performance of our funds and investment portfolios with new products and strict risk management policies. We will also find and establish new funds in order to fulfill our role in efficient advisory and portfolio management;
- We will continue to apply strict risk management policies, totally against violations of market transparency and to promote fair competition;
- We will continue to preserve a good working environment and competitive remuneration policies, which will attract talents and provide professional opportunities to employees who have a strong and long-term commitment to the development of the firm;
- We will actively contribute to community and social Activities, with a focus in the elimination of hunger, in the reduction of poverty and the development of health and education programs for children in mountainous and ethnic areas.



ACTION PLAN

Securities Services

Taking into consideration difficulties and challenges of the domestic economy but also potential opportunities in each time period of the year 2013, SSI will implement a consistent strategy in line with market development based on appropriate and effective combined policies of customers, diversification of products and services thanks to an advanced technology platform and strict risk management. In 2013, Securities Services business will have following objectives:

Expansion of client network and market share

Developing and maintaining an extensive client base is one of the prerequisites to ensure the success of our securities services business. In 2013, SSI will focus on the improvement of quality of services to existing clients and on expanding our new client base via high-quality products and services.

SSI Securities business will attempt to win back the No.1 position in brokerage market share at HOSE and will continue to maintain a leading position in brokerage services to foreign investors. The plan is to increase the number of new accounts by 10% compared to that of 2012.

Regarding foreign institutional clients, SSI will focus on expanding its client base in the US, Hong Kong, Singapore, Japan and Europe. In addition, SSI will continue to maintain good relationships with International Brokers and Global Custodians. Regarding local retail and institutional clients, SSI will strive to increase market share by 30% by expanding its client base in major cities such as Ho chi minh, Ha Noi, Hai Phong, Da Nang, and in other potential provinces including Dong Nai, Binh Duong, An Giang and Can Tho.

Improvement of the quality of products, services and client policies

To ensure profit growth and competitiveness in 2013, SSI will continually enhance its products and services as well as marketing strategy. Beside the development of a strong team of professional research analysts, SSI will concentrate on investment and improvement of technology to best support online trading needs of clients as well as ensuring accuracy and efficiency of its operations. In particular, SSI will develop special policies for loyal and long-lasting clients.

Development of high-quality brokers, especially retail brokers

SSI sets a clear target for brokerage development in terms of both quality and quantity to build up a good brand for SSI professional brokers. Besides highly selective recruitments, SSI Securities Business will constantly provide various training courses to update and enhance SSI employees in specialized knowledge, soft skills in customer care, research and investment advisory as well as working ethics. Strong growth of retail brokers and development of branch network will be key targets to be achieved in 2013.

Investment Banking

Adhering to the mission of "Connecting capital to investment opportunities" and to maintain our leading position in the investment banking sector. In 2013 SSI Investment Banking will, as always, continue to strive to be in the top tier of Vietnamese investment banks with its full service model and to source, structure and facilitate useful solutions to produce the best quality services for customers.

Maintaining the market leader through diversification of services and high added value services

In 2013, our fundamental pillars of Investment Banking functions will consist of consulting services, financial restructuring, capital structure, M&A, hybrid products, and structured products, which will combine stocks and debt instruments. In addition, we will continue to administer research and design new and diversified products to satisfy increasing customers' demands as well as that of the market in order to connect foreign investors to domestic enterprises and to take advantage of the available capital from the international market. SSI will focus on its consulting services to improve the financial systems and financial management according to international standards as well as adequate procedures to help local enterprises raise capital in foreign markets.

M&A services still a priority for continuous growth and development

The current primacy of outside-to-Vietnam mergers and acquisitions business in the investment banking market is also a key challenge faced by many Vietnamese Investment banks. The prominence of this business in the marketplace makes the development of a high-quality foreign network of contacts, both with other M&A advisers and with foreign strategic investors directly, a top priority. SSI's plan is to bring about high-qualified products with full of intelligence for our customers. In 2013, we will focus on enhancing our M&A services while maintaining the highest standards in the process.

The economic malaise created many unprofitable companies; many listed companies' share price deteriorated in the process. Nevertheless, economic malaise can create opportunities as fast as they can ruin opportunities. During the economic downturn, potential companies have surfaced; they required financial reinforcements to acquire or merge with other partners in the same sector to broaden their market share. The growing M&A popularity has generated opportunities for SSI to progress its M&A services in 2013. With our in depth knowledge of organizational structures, financial management structures, corporate governance, experience, local partners, and vast international investment-banking partners and clients, we are confident that we can connect and facilitate demands in order to harmonize benefits for buyers and sellers.

Business Development

In 2013, we will focus on large-scale enterprises operating in fundamental sectors. We are confident that we can provide financial products and solutions to facilitate their continuous development to maximize profit for shareholders.

Broaden relationships with leading financial institutions

such as JP Morgan, Daiwa Securities, Nomura, Credit Suisse, etc. to interchange ideas and solutions and to promote investment opportunities. Because of our strong regional relationships with leading financial institutions, SSI can provide clients with many international standards financial solutions.

To improve we will center on restructuring the Investment Banking Division and enhance professional competence

If implemented and practiced efficiently, we will improve our employees' skills and knowledge in their respective fields of expertise. As a result, by adhering to international standards and deeply knowledgeable in the domestic market, our professional team of financial consultants will deliver first class services to customers. Based on our strengths and market insight, SSI will always try to deliver the best Investment Banking services in Vietnam, compete within the legal and ethical framework permitted by the laws and successfully reinforce and strengthen the SSI Investment Banking brand in which we are proud with the professionalism, standard of services, and ethical compliance.



Asset Management

Coming into 2013, although asset management companies in Vietnam still face many challenges, many opportunities have risen because of the challenges facing the economy. Progressive legal frameworks such as those on Open-ended funds, ETF, REIT and Securities Investment Company, officially paved ways for new investment vehicles. SSIAM has prepared our technical and human resources for the launch of these products when market conditions are appropriate. At the same time, we will continue with SSI's theme of supporting and developing with our affiliated companies, further increasing investments in enterprises in sectors, in which Vietnam has competitive advantages such as Agriculture, Forestry, Fisheries and Consumer Goods.

Attracting more entrusted assets, ensuring by our prudent, flexible and effective investment strategies

The liquidation of SSI Vision Fund in November 2012 will potentially hurt SSIAM's revenues and profits in 2013. This is a challenge for the company and at the same time a big motivation for SSIAM to raise AUM. For ongoing operations, we will continue to actively source for new investment opportunities and effectively disburse funds and portfolio assets accordingly to our pipelines. We will also continue to focus on risk management and follow our prudent, long-term investment strategy in order to preserve and flexibly grow our assets through different market conditions.

Continuing SSI's strategy of "Accompany and develop with associated companies"

We believe our long-term investment strategy will deliver high investment returns, made possible through the steadfast theme of supporting and developing our affiliatedcompanies, assisting them to carry out sustainable business plans. In 2013, SSIAM will coordinate with these companies to foster value-chain creation in the sectors that Vietnam has competitive advantages

Expanding retail clients segment through SSI Prestige product

Retail clients segment has been largely neglected on the market and we strongly believe in the growth potential of this segment. In 2012, after the launch of our portfolio management product - SSI Prestige, we have attracted assets from some high net worth retail clients. Going into 2013, SSI will put more focus and extension through closer coordination with commercial banks and insurance companies to further increase our coverage in the retail clients segment.



Treasury

Manage cash flows prudently and accurately, ensure liquidity for the whole system.

It is forecasted that Vietnam's economy will continue to face many challenges in 2013, and the banking system will continue to remain unstable. Therefore, SSI will handle treasury related business activities prudently, assess partners on a regular basis, and prepare the structure of transactions carefully in order to take full advantage of idle capital but still guarantee liquidity for the company and investors.

To improve current data system, SSI has established automatic cash flows report system – Oracle Treasury. Once completed, this system will store all treasury related data, thereby making cash flow management process more effective and accurate, and diminishing liquidity risk. This is one of the improvement plans with the purpose of maximizing customers' benefits.

Diversify business activities, construct new flexible structure products.

SSI Treasury's priorities are to diversify structure of business activities, construct new flexible products to satisfy borrowing and lending demand in the market with optimized interest rates and matched maturities. In addition, SSI will intensify advisory activities, offer new products to expand customer and partner networks.

Optimize opportunities in the bond market

In comparison with banks, SSI has many disadvantages regarding competition in the bond market since banks usually possess high quality bonds, trade frequently and have many other advantages. With the success in 2012 and prospect of the economy after crisis, the bond market boasts many opportunities for substantial development in 2013. SSI will continue to expand bond related activities such as brokerage and auction services, focus on seeking more customers, especially foreign investors who are interested in Vietnam bond market.

Risk management plan

2012 was a year filled with difficulties for banks and securities firms. It was also a historic year for the financial industry, as an event marked the end of a famous banking brand and the termination of the operating license of several securities firms. All these were the result of overly aggressive risk taking and a lack of risk management. SSI has learned from the mistakes of others and has strengthened its own risk management.
Many legal documents, which directly and indirectly relate to the risk management of securities companies, have been issued and will be applied in 2013. The most important document was Circular No.210/2012/TT-BTC dated 30/11/2012 issued by Ministry of Finance in term of instructions on establishment and activities of securities companies; Decision No.105/QD-UBCK dated 26/02/2013 issued by State Securities Committee in term of instructions regarding the establishment and operation of risk management systems at securities companies. All of those documents are intended to enhance risk management efficiency at securities companies.
SSI aims for sustainable long-term growth, optimal profit while preserving capital for shareholders. SSI will continue to maintain our traditionally most efficient approach to risk, in order to maintain a key advantage in a market that is populated with very aggressive competitors. SSI has already an efficient risk management infrastructure, which is ready to comply with the requirements of new regulations. Meanwhile, risk management has been implemented at SSI with the highest standards:

Risk management structure in SSI:

BOARD OF DIRECTORS, BOARD OF MANAGEMENT	Establish risk strategies and risk policies
HEAD OF RISK MANAGEMENT AND BUSINESS MANAGERS	Identify risks; Monitor and deal with risks in daily business; Build risk models and procedures; Supervise the execution of risk procedures.
OTHERS	Follow risk procedures to minimize damages; Identify new risks; Give constructive ideas to improve risk management systems.



- Risk management function is independent, specialized and highly practical
- Coordination between other control functions such as Legal and Compliance and Internal Audit ensures all risks average
- Risk management function is updated regularly with changes in regulations and market conditions
- Daily monitoring and periodical review and audit

Compared to new requirements stated in those above regulations, we will appropriately adjust risk management systems in order to enhance the advantages of current risk managment schemes. SSI will pay much attention to monitoring risks in 2013, including Market Risks, Credit Risks, Liquidity Risks, Compliance Risks, Brand name Risks, Human resource Risks and Legal Risks.

Back-Office plan

A well operating machine requires tight screws to connect all the spare parts, secure belts to transmit activities and oil to lubricate all the hard friction parts. This theory is also applicable to organizations.

At SSI, back-office unit is considered as the link among different business lines, a catalyst to ensure the whole firm to be a well-oiled machine. Support departments include Finance – Accounting, Control and Supervision, Administration, Human Resource, Corporate Communication, Information Technology. Those departments operate in centralized basis to ensure optimal usage of human capital and other resources.

In 2013, aiming at "Fast and Sustainable Growth", Support functions are developed to ensure a healthy working environment, generating mutual benefit to Clients, Partners, Staff and other stakeholders.

"Tight link"

With the objective of sustainable development, Support functions are considered as departments to implement and monitor the execution of regulations and internal procedures and to help the Board of Management to operate safely and effectively.

In 2013, periodic control mechanisms are maintained in order to timely detect and prevent risks. Training for personnel of Support functions is considered as an important plan in the coming years. In particular, there is a clear plan for personnel of the Legal and Compliance, Internal Audit to improve expertise and professional ethics, to fulfill advisory roles to Executive Board in system controls and strict supervision to prevent risk. In addition, in order to enhance compliance and professionalism throughout the system, the Support functions will develop scientific, legal and highly instructive regulations and operational procedures.

In 2013, the main task of the Support function is to ensure the compliance of systems, contributing to the development of a "strong from the inside" organization.

"Smooth transmission"

Whenever the "front line" establishes ambitious strategic plans, the "back line" receives higher requirements in order to supply good instruments and working conditions for the "front line".

Building a comfortable, relaxing but professional working environment is the first step to develop SSI into a second home for all its employees. Besides, the Board of Management has assigned Corporate Communication Division to create a corporate culture with strong SSI's characteristics. The culture should encourage employees to communicate freely and feel connected through convenient internal channels and other teamwork activities.

Based on the view that the stock market will continue to face difficulties in 2013, Corporate Communications team will prepare detailed scenarios and work closely with the media to convey accurate, timely, and transparent information in order to preserve investors' confidence, as well as to protect SSI reputation. 2013 will be the first year that the performance of the SSI brand will be measured since its introduction in 2009. With detailed survey plan and brand performance indicators, we will evaluate and implement the next development for the SSI brand, in order to protect the interests and the trusts of Clients, Partners, SSI staff and other stakeholders.

2013 - A year with not many expectations for the economy, the Support functions will continue to play a key role in maintaining an ethical working environment, holding a strong collective spirit and strengthening the "soul" of SSI corporate culture.

"Effective lubrication"

The Back-office unit is an internal catalyst that is necessary to overcome hurdles in a growing organization.

At SSI, it is necessary for a safe and sufficient system to have a transparent accounting scheme. This is the basis to provide accurate information and to assist investors in making right decisions. Accounting activities in the whole company are centralized at SSI's head office and at Hanoi branch in order to optimize human resource capital and to ensure efficiency and transparency. In 2013, to ensure sustainability at SSI's core, the Board of Management will manage an accounting system that complies with legal regulations and fulfills all obligations to the State in a timely manner. Financial statements and information releases will continue to be accurate and timely reported to preserve the trust of investors. In 2013, the key task for Finance-Accounting Division is to ensure transparency to support SSI's plan to achieve sustainable growth.

Information technology is one the most of important contributors to the safe and secured operations at SSI. In 2013, SSI will continue to focus on building a safe and efficient system that can respond well to any emergencies. In 2013 and in the following years, with a strong base, SSI will continue to integrate and exploit applications to bring exceptional value to clients.

Management to achieve safety and transparency will be a key focus in 2013 and will assure growth for SSI organization toward "Fast and sustainable development"

"Exact operation"

In 2013, "The quality of Human capital" will be the key to ensure the smooth operation of SSI organization, with efficient and accurate management. In 2013, the Human Resource department will focus on building recruitment and a talent management plan in order to discover and enhance personnel with the potential to be taken on senior management positions at SSI. Besides, continuing with its organization development plan, SSI will implement a comprehensive performance management program and to gradually build and apply BSC-KPI in 2013. Additionally, with the objective of attracting and retaining talents, the Human Resource department will conduct regular labor market surveys in order to keep compensation policies current with the market. SSI will adjust (if any) and will maintain reasonable and competitive compensation policies for employees.

In 2013, if the stock market continues to face with many obstacles, the labor market will experience a war for talents. Based on a concrete action plan, the Support Unit will have the objective of making SSI the choice destination for talents in Vietnam and International financial market with the vision of "Human Capital is the prerequisite factor for the efficient operation of SSI".



AUDITED FINANCIAL REPORTS

Be Transparent to Succeed

GENERAL INFORMATION

REPORT OF MANAGEMENT

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Independent auditor's report

Consolidated balance sheet

Consolidated income statement

Consolidated cash flow statement

Consolidated statement of changes in owners' equity

Notes to the consolidated financial statements

GENERAL INFORMATION

THE COMPANY

Saigon Securities Incorporation Company (''the Company'') is a joint stock company established under the Corporate Law of Vietnam and the Operation License No. 3041/GP-UB dated 27 December 1999 issued by the Ho Chi Minh City People's Committee and the first Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment. The Company then received the Securities Trading License No. 03/GPHDKD issued by the State Securities Commission on 05 April 2000 and subsequently amended licenses.

The primary businesses of the Company are brokerage service, securities trading, finance and investment advisory service, custodian service, and underwriting for securities issues.

The Company's shares were officially listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) from 15 December 2006. On 29 October 2007, the listing was switched to Ho Chi Minh Stock Exchange.

The Company's Head Office is located at 72 Nguyen Hue, District 1, Ho Chi Minh City. The Company also has branches based in Ho Chi Minh City, Hanoi, Vung Tau, Hai Phong, and Nha Trang.

BOARD OF DIRECTORS

Members of Board of Directors during the year ended 31 December 2012 and at the date of this report are:

Name	Title	Election/ appointment/ dismiss date
Mr. Nguyen Duy Hung	Chairman	Re-elected on 28 April 2010
Mr. Nguyen Hong Nam	Member	Re-elected on 24 April 2009
Mr. Ngo Van Diem	Member	Re-elected on 20 April 2012
Mr. Alistair Marshall Bulloch	Member	Approved by Shareholders' Meeting on 28 April 2011
Ms. Dam Bich Thuy	Member	Elected on 24 April 2009
Mr. Bui Quang Nghiem	Member	Elected on 24 April 2009
Mr. Masami Tada	Member	Elected on 20 April 2012
Mr. Yoshio Urata	Member	Appointed on 28 November 2011 Dismissed on 20 April 2012

BOARD OF SUPERVISION

Members of Board of Supervision during year ended 31 December 2012 and at the date of this report are:

Name	Title	Election/ appointment/ dismiss date
Mr. Nguyen Van Khai	Head of the Board of Supervision	Re-elected on 28 April 2011
Mr. Dang Phong Luu	Member	Re-elected on 28 April 2010
Ms. Ho Thi Huong Tra	Member	Re-elected on 20 April 2012

MANAGEMENT

Members of the Management during the year ended 31 December 2012 and at the date of this report are:

Name	Title	Election/ appointment/ dismiss date
Mr. Nguyen Duy Hung	Chief Executive Officer	Appointed on 5 March 2007
Mr. Nguyen Hong Nam	Deputy Chief Executive Officer	Re-appointed on 5 September 2003

LEGAL REPRESENTATIVE

The legal representative of the Company during the year ended 31 December 2012 and at the date of this report is Mr. Nguyen Duy Hung, Chairman of Board of Directors cum Chief Executive Officer.

AUDITORS

The auditors of the Company are Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

Management of Saigon Securities Incorporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2012.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Management is responsible for the consolidated financial statements which give a true and fair view of the consolidated state of affairs of the Company and its subsidiaries, of the consolidated results of their operations, the consolidated cash flows and the consolidated changes in owners' equity for the period. In preparing those consolidated financial statements, the Management is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

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

The Management confirms that it has complied with the above requirements in preparing the accompanying consolidated financial statements for the fiscal year ended 31 December 2012.

STATEMENT BY MANAGEMENT

The Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2012, of the consolidated results of their operations, the consolidated cash flows and the consolidated changes in their owners' equity for the fiscal year then ended in accordance with the Vietnamese Accounting Standards and System, the accounting policies applicable to securities companies as prescribed in Circular No. 95/2008/TT-BTC dated 24 October 2008, Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by Ministry of Finance and comply with relevant statutory requirements.

For and on behalf of the Management:

Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2013

INDEPENDENT AUDITORS' REPORT

REFERENCE: 60755007/15504493

To: The Shareholders of
Saigon Securities Incorporation

We have audited the consolidated financial statements of Saigon Securities Incorporation ("the Company") and its subsidiaries as set out on pages 5 to 64 which comprise the consolidated balance sheet as at 31 December 2012, the consolidated income statement, the consolidated cash flows statement and the consolidated statement of changes in their owners' equity for the fiscal year then ended and the notes thereto.

The preparation and presentation of these consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Basis of Opinion

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

Opinion

In our opinion, the consolidated financial statements, in all material respects, give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2012, and of the consolidated results of their operations, their consolidated cash flows and the consolidated changes in owners' equity for the fiscal year then ended in accordance with the Vietnamese Accounting Standards and System, the accounting policies applicable to securities companies as prescribed in Circular No. 95/2008/TT-BTC dated 24 October 2008, Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by Ministry of Finance and comply with relevant statutory requirements.

Ernst & Young Vietnam Limited

Vo Tan Hoang Van
Deputy General Director
Certificate No: 0264/KTV

Nguyen Phuong Nga
Auditor
Certificate No: 0763/KTV

Hanoi, Vietnam
22 March 2013

CONSOLIDATED
BALANCE SHEET
AS AT 31 DECEMBER 2012

Currency: VND

Code	ASSETS	Note	31 December 2012	31 December 2011
100	**A. CURRENT ASSETS**		**4,837,002,006,608**	**3,223,900,965,471**
110	***I. CASH AND CASH EQUIVALENTS***	*4*	***1,947,090,450,986***	***1,945,764,811,547***
111	1. Cash in hand		806,860,450,986	730,095,592,831
112	2. Cash equivalents		1,140,230,000,000	1,215,669,218,716
120	***II. SHORT-TERM FINANCIAL INVESTMENTS***		***2,097,809,872,532***	***869,367,192,516***
121	1. Short-term investments	6,1	2,292,163,797,759	1,053,037,748,335
122	2. Short-term investments of trustees	7	-	119,452,989,696
129	3. Provision for short-term investments	6,3	(194,353,925,227)	(303,123,545,515)
130	***III. SHORT-TERM RECEIVABLES***		***784,596,795,412***	***397,623,486,933***
131	1. Receivables from customers	8	500,024,123,162	291,054,053,897
132	2. Advances to suppliers	8	4,092,973,299	2,223,755,828
135	3. Receivables from securities trading activities	8	7,317,649,764	677,728
138	4. Other receivables	8	339,346,884,820	122,281,746,055
139	5. Provision for doubtful receivables	9	(66,184,835,633)	(17,936,746,575)
150	***IV. OTHER CURRENT ASSETS***	*10*	***7,504,887,678***	***11,145,474,475***
151	1. Prepaid expenses		5,092,189,783	5,334,439,840
152	2. Value-added tax deductible		119,318,128	85,921,890
154	3. Tax and statutory obligations		464,966,248	3,347,725,304
158	4. Other current assets		1,828,413,519	2,377,387,441
200	**B. NON-CURRENT ASSETS**		**3,143,873,895,267**	**3,283,612,233,383**
220	***I. Fixed assets***		***145,252,092,780***	***165,128,640,442***
221	1. Tangible fixed assets	11	24,094,347,697	35,668,894,339
222	*Cost*		*96,015,355,706*	*97,855,281,879*
223	*Accumulated depreciation*		*(71,921,008,009)*	*(62,186,387,540)*
227	2. Intangible fixed assets	12	121,157,745,083	128,541,196,863
228	*Cost*		*156,277,513,279*	*154,196,831,839*
229	*Accumulated amortization*		*(35,119,768,196)*	*(25,655,634,976)*
230	3. Construction in progress		-	918,549,240
240	***II. Investment properties***	*13*	***269,347,115,777***	***275,387,155,603***
241	1. Cost		283,612,736,520	282,497,013,600
242	2. Accumulated depreciation		(14,265,620,743)	(7,109,857,997)
250	***III. Long-term financial investments***		***2,646,569,834,634***	***2,795,408,637,136***
251	1. Investments in subsidiaries		-	-
252	2. Investments in associates and joint-ventures	14	1,216,460,435,248	1,084,449,892,080
253	3. Long-term securities investments	6,2	1,056,730,351,972	1,128,856,979,464
254	*Available-for-sale securities*		*1,056,730,351,972*	*1,128,856,979,464*
255	*Held-to-maturity securities*		-	-
258	4. Other long-term investments	6,2	548,616,990,000	749,788,390,000
259	5. Provision for long-term investments	6,3	(175,237,942,586)	(167,686,624,408)
260	***IV. Other long-term fixed assets***		***82,704,852,076***	***53,479,433,649***
261	1. Long-term prepaid expenses	15	8,861,760,393	30,696,711,905
262	2. Deferred income tax asset	31,2	52,687,916,677	5,532,841,362
263	3. Payment for Settlement Assistance Fund	16	14,982,911,796	10,389,932,650
268	4. Other long-term assets		6,172,263,210	6,859,947,732
269	**C. GOODWILL**	*14*	-	-
270	**TOTAL ASSETS**		**7,980,875,901,875**	**6,507,513,198,854**

(*) The restatement involves the integration of Goodwill to Investments in associates and joint-ventures in the consolidated balance sheet. Refer to Note 14 for more details.

B01-CTCK

Currency: VND

Code	RESOURCES	Note	31 December 2012	31 December 2011
300	**A. LIABILITIES**		**2,705,603,684,581**	**1,350,341,790,438**
310	***I. CURRENT LIABILITIES***		***2,677,707,415,060***	***1,180,434,253,286***
311	1. Short-term borrowings	17	357,728,021,077	-
312	2. Payables to suppliers		10,237,833,415	2,844,837,415
313	3. Advances from customers	18	99,049,773,750	73,489,828,832
314	4. Statutory obligations	19	18,718,850,445	5,642,394,016
315	5. Payables to employees		53,077,997	19,057,374
316	6. Accrued expenses	20	9,183,790,553	6,182,323,553
319	7. Other short-term payables	21	1,189,788,103,107	416,679,318,364
320	8. Payables to securities trading activities	22	911,725,652,287	577,727,624,842
321	9. Dividend and interest payables	23	4,474,923,850	6,476,918,423
322	10. Payables to securities issuers		605,427,160	605,427,160
323	11. Bonus and welfare fund	24	75,065,576,088	90,064,800,637
328	12. Short-term unearned revenue		1,076,385,332	701,722,670
330	***II. NON-CURRENT LIABILITIES***		***27,896,269,521***	***169,907,537,152***
333	1. Other long-term payables		743,715,145	577,091,185
334	2. Long-term loans and debts		-	-
335	3. Deferred income tax liability	31.2	27,152,554,376	43,592,871,995
336	4. Provisions for termination allowance		-	3,233,478,696
341	5. Funds received from trust investors	25	-	122,504,095,276
400	**B. OWNERS' EQUITY**	**26**	**5,191,573,047,865**	**5,080,665,298,616**
410	***I. OWNERS' EQUITY***		***5,191,573,047,865***	***5,080,665,298,616***
411	1. Chartered capital		3,526,117,420,000	3,526,117,420,000
412	2. Share premium		340,921,476,378	340,921,476,378
413	3. Other owners' capital		(2,605,677,770)	383,614,879
414	4. Treasury shares		(89,246,186,000)	(88,591,286,000)
418	5. Financial and statutory reserves		289,383,181,436	289,383,181,436
420	6. Undistributed earnings		1,127,002,833,821	1,012,450,891,924
500	**C. NON-CONTROLLING INTERESTS**	**32**	**83,699,169,429**	**76,506,109,799**
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**7,980,875,901,875**	**6,507,513,198,854**

OFF-BALANCE SHEET ITEMS

Currency: VND

Code	ITEMS	31 December 2012	31 December 2011
001	**1. Leased fixed assets**	-	-
002	**2. Pledged materials and valuable papers**	-	-
003	**3. Security assets**	-	-
004	**4. Bad debts written off**	-	-
005	**5. Foreign currencies**	-	-
006	**6. Custody securities**	**13,269,603,970,000**	**12,020,499,450,000**
	In which		
007	***6.1 Tradable securitie***	***11,763,352,280,000***	***10,468,549,880,000***
008	6.1.1 Tradable securities of custody members	1,271,769,300,000	442,902,530,000
009	6.1.2 Tradable securities of local investors	8,854,342,330,000	8,440,746,120,000
010	6.1.3 Tradable securities of foreign investors	1,637,240,650,000	1,584,901,230,000
011	6.1.4 Tradable securities of other entities	-	-
012	***6.2 Temporarily untradeable securities***	***179,044,560,000***	***427,008,780,000***
013	6.2.1 Temporarily untradeable securities of custody members	300,000,000	1,000,000,000
014	6.2.2 Temporarily untradeable securities of local investors	173,199,560,000	420,463,780,000
015	6.2.3 Temporarily untradeable securities of foreign investors	5,545,000,000	5,545,000,000
016	6.2.4 Temporarily untradeable securities of other entities	-	-
017	***6.3 Mortgaged securities***	***646,344,340,000***	***947,988,450,000***
018	6.3.1 Mortgaged securities of custody members	-	-
019	6.3.2 Mortgaged securities of local investors	646,344,340,000	947,988,450,000
020	6.3.3 Mortgaged securities of foreign investors	-	-
021	6.3.4 Mortgaged securities of other entities	-	-
022	***6.4 Suspended securities***	-	-
027	***6.5 Securities awaiting for settlement***	***169,698,350,000***	***168,833,120,000***
028	6.5.1 Securities awaiting for settlement of custody members	-	401,000,000
029	6.5.2 Securities awaiting for settlement of local investors	164,999,950,000	167,869,720,000
030	6.5.3 Securities awaiting for settlement of foreign investors	4,698,400,000	562,400,000
031	6.5.4 Securities awaiting for settlement of other entities	-	-
032	***6.6 Isolated securities awaiting for withdrawal***	-	-
037	***6.7 Securities awaiting for trading***	***511,164,440,000***	***8,119,220,000***
038	6.7.1 Securities awaiting for trading of custody members	-	-
039	6.7.2 Securities awaiting for trading of local investors	506,797,630,000	3,962,860,000
040	6.7.3 Securities awaiting for trading of foreign investors	4,366,810,000	4,156,360,000
041	6.7.4 Securities awaiting for trading of other entities	-	-
042	***6.8 Securities collateralized for borrowings***	-	-
047	***6.9 Securities used to correct trading errors***	-	-

Currency: VND

Code	ITEMS	31 December 2012	31 December 2011
050	**7. Custody securities of unlisted public company**	**839,705,300,000**	**303,065,520,000**
	In which:		
051	***7.1 Tradable securities***	***794,415,700,000***	***302,130,730,000***
052	7.1.1 Tradable securities of custody members	9,482,930,000	31,250,000
053	7.1.2 Tradable securities of local investors	757,037,570,000	291,003,630,000
054	7.1.3 Tradable securities of foreign investors	27,895,200,000	11,095,850,000
055	7.1.4 Tradable securities of other entities	-	-
056	***7.2 Chứng khoán tạm ngừng giao dịch***	***7,995,000,000***	***405,190,000***
057	7.2.1 Temporarily untradeable securities of custody members	1,000,000,000	-
058	7.2.2 Temporarily untradeable securities of local investors	6,995,000,000	405,190,000
059	7.2.3 Temporarily untradeable securities of foreign investors	-	-
060	7.2.4 Temporarily untradeable securities of other entities	-	-
061	***7.3 Collateral securities***	***32,580,440,000***	***309,600,000***
066	***7.4 Temporarily held securities***	-	-
071	***7.5 Securities awaiting for settlement***	***4,714,160,000***	***220,000,000***
072	7.5.1 Securities awaiting for settlement of custody members	-	-
073	7.5.2 Securities awaiting for settlement of local investors	4,714,160,000	220,000,000
074	7.5.3 Securities awaiting for settlement of foreign investors	-	-
075	7.5.4 Securities awaiting for settlement of other entities	-	-
076	***7.6 Isolated securities awaiting for withdrawal***	-	-
081	***7.7 Securities used to adjust trading errors***	-	-
082	**8. Securities not in custody of investors**	-	-
083	**9. Securities not in custody of securities corporations**	-	-
084	**10.Trusted securities used for auction**	-	-
	TOTAL OFF-BALANCE SHEET ITEMS	**14,109,309,270,000**	**12,323,564,970,000**

Preparer	Approver	Approver
Ms. Hoang Thi Minh Thuy	Ms. Nguyen Thi Thanh Ha	Mr. Nguyen Duy Hung
Chief Accountant	Chief Financial Officer	Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2013

CONSOLIDATED
INCOME STATEMENT
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2012

Currency: VND

Code	ITEMS	Note	Current year	Previous year
01	**1. Revenue**	27	**849,294,221,184**	**848,048,772,890**
	In which:			
01.1	- Revenue from brokerage services		105,807,913,215	96,005,005,216
01.2	- Revenue from securities investments and capital contribution		276,558,485,135	227,702,451,908
01.3	- Revenue from securities underwriting services		-	6,420,000,000
01.4	- Revenue from securities underwriting agency		29,061,000	-
01.5	- Revenue from investment portfolio management services for entrust investors		15,519,110,635	18,328,050,969
01.6	- Revenue from advisory services		79,784,442,039	38,076,296,310
01.7	- Revenue from securities custody services		5,191,757,059	2,487,230,802
01.8	- Revenue from property lease		12,559,455,663	4,478,427,405
01.9	- Other revenue		353,843,996,437	454,551,310,280
02	**2. Deductions**	27	**-**	**(5,850,000)**
10	**3. Net revenue**	27	**849,294,221,184**	**848,042,922,890**
11	**4. Operating expenses**	28	**(454,524,349,042)**	**(656,773,739,348)**
	In which:			
	- Direct operating expenses		(515,275,929,215)	(487,752,186,918)
	- Expenses/ (reversion) of securities provision		60,751,580,173	(169,021,552,430)
20	**5. Gross profit/(loss) from operating activities**		**394,769,872,142**	**191,269,183,542**
25	**6. General and administrative expenses**	29	**(17,991,632,074)**	**(27,938,858,746)**
30	**7. Net profit/(loss) from operating activities**		**376,778,240,068**	**163,330,324,796**
31	8. Other incomes	30	5,079,281,085	553,902,871
32	9. Other expenses	30	(658,800,233)	(680,706,469)
40	**10. Other profit/(loss)**	30	**4,420,480,852**	**(126,803,598)**
41	**11. Share of profit/(loss) in associates**	14	**106,059,910,285**	**(36,599,141,321)**
50	**12. Profit/(loss) before tax**		**487,258,631,205**	**126,604,379,877**
51	**13. Current corporate income tax expense**	31.1	**(82,563,882,162)**	**(3,937,863,518)**
52	**14. Deferred corporate income tax (expense)/income**	31.2	**60,797,688,748**	**(39,913,280,804)**

Currency: VND

Code	ITEMS	Note	Current year	Previous year
60	**15. Profit/(loss) after tax**		**465,492,437,791**	**82,753,235,555**
61	**16. Non-controlling interests**	32	**1,193,059,630**	**3,624,222,810**
62	**17. Profit/(loss) after tax attributable to equity holders of the parent**		**464,299,378,161**	**79,129,012,745**
70	**18. Basic earnings per share**	34	**1,328**	**227**

Preparer	Approver	Approver
Ms. Hoang Thi Minh Thuy Chief Accountant	Ms. Nguyen Thi Thanh Ha Chief Financial Officer	Mr. Nguyen Duy Hung Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2013

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2012

Currency: VND

Code	ITEMS	Note	Current year	Previous year
	I. CASH FLOW FROM OPERATING ACTIVITIES			
01	***1. Total accounting profit/(loss) before tax***		***487,258,631,205***	***126,604,379,877***
	2. Adjustments for		***(186,276,678,368)***	***177,342,019,957***
02	Depreciation of fixed assets		31,480,522,455	31,684,925,138
03	Provisions		(52,970,213,048)	186,958,299,005
04	Unrealized foreign exchange gain/(loss)		-	(94,937,598)
05	Gain/(loss) from investing activities		(180,262,164,937)	(59,784,044,364)
06	Interest expenses		15,475,177,162	18,577,777,776
08	***3. Operating income before changes in working capital***		***300,981,952,837***	***303,946,399,834***
09	(Increase)/decrease in receivables		(643,562,725,297)	390,332,648,163
10	(Increase)/decrease in trading securities		(1,126,606,349,530)	1,036,658,022,705
11	Increase/(decrease) in payables (exclusive of interest payables, corporate income tax payable)		993,114,171,579	(36,359,436,956)
12	(Increase)/decrease in prepaid expenses		11,019,110,497	19,258,359,982
13	Interest paid		(15,014,599,976)	(80,975,944,421)
14	Corporate income tax paid		(70,752,205,322)	(22,900,576,918)
15	Other proceeds from operating activities		267,588,322	7,500,000
16	Other payments for operating activities		(15,242,385,350)	(30,070,439,246)
20	**Cash flow from/(used in) operating activities**		**(565,795,442,240)**	**1,579,896,533,143**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(9,977,559,007)	(263,542,218,009)
22	Proceeds from fix assets disposal		1,709,357,843	901,636,358
23	Loan to and payments for purchase of debt instruments of other entities		-	(12,500,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		-	38,610,684,983
25	Payments for investments in other entities		(487,685,265,609)	(466,671,076,887)

Currency: VND

Code	ITEMS	Note	Current year	Previous year
26	Proceeds from sale of investments in other entities		844,012,051,172	387,760,777,945
27	Interests and dividends received		204,773,302,343	130,279,911,870
30	**Net cash flows from/(used) in investing activities**		**552,831,886,742**	**(185,160,283,739)**
	III. CASH FLOW FROM FINANCING ACTIVITIES			
31	Proceeds from share issuance, capital contribution		-	15,000,000,000
	Capital contribution of minority shareholders		6,000,000,000	-
32	Capital redemption and payments for purchase of treasury shares		(654,900,000)	(85,816,286,000)
33	Drawdown of borrowings		3,493,177,999,828	60,000,000,000
34	Repayments of borrowings		(3,135,449,978,751)	(2,060,000,000,000)
36	Dividends paid to shareholders		(348,783,926,140)	(347,461,697,000)
40	**Net cash flows from / (used in) financial activities**		**14,289,194,937**	**(2,418,277,983,000)**
50	**Net increase/(decrease) in cash and cash equivalents during the year**		**1,325,639,439**	**(1,023,541,733,596)**
60	**Cash and cash equivalents at the beginning of the year**	4	**1,945,764,811,547**	**2,969,211,607,544**
61	Effects of foreign exchange		-	94,937,598
70	**Cash and cash equivalents at the end of the year**	4	**1,947,090,450,986**	**1,945,764,811,547**

Preparer	Approver	Approver
Ms. Hoang Thi Minh Thuy	Ms. Nguyen Thi Thanh Ha	Mr. Nguyen Duy Hung
Chief Accountant	Chief Financial Officer	Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2013

CONSOLIDATED STATEMENT
OF CHANGES IN OWNERS' EQUITY

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2012

Items	Note	Opening balance		Increase/Decrease				Ending balance	
		1 January 2011	1 January 2012	For fiscal year ended 31 December 2011		For fiscal year ended 31 December 2012		31 December 2011	31 December 2012
				Increase	Decrease	Increase	Decrease		
A	B	1	2	3	4	5	6	7	8
1. Chartered capital	26	3,511,117,420,000	3,526,117,420,000	15,000,000,000	-	-	-	3,526,117,420,000	3,526,117,420,000
2. Share premium	26	340,921,476,378	340,921,476,378	-	-	-	-	340,921,476,378	340,921,476,378
3. Other owners' capital		-	383,614,879	383,614,879	-	-	(2,989,292,649)	383,614,879	(2,605,677,770)
4. Treasury shares	26	(12,365,677,000)	(88,591,286,000)	(76,225,609,000)	-	(654,900,000)	-	(88,591,286,000)	(89,246,186,000)
5. Asset revaluation reserve		-	-	-	-	-	-	-	-
6. Foreign exchange differences reserve		-	-	-	-	-	-	-	-
7. Development fund		-	-	-	-	-	-	-	-
8. Financial and statutory reserve	26	220,524,469,842	289,383,181,436	68,858,711,594	-	-	-	289,383,181,436	289,383,181,436
9. Other funds belonging to owners' equity		-	-	-	-	-	-	-	-
10. Undistributed earnings	26	1,399,114,338,962	1,012,450,891,924	81,058,284,480	(467,721,731,518)	464,299,378,161	(349,747,436,264)	1,012,450,891,924	1,127,002,833,821
TOTAL	**26**	**5,459,312,028,182**	**5,080,665,298,617**	**89,075,001,952**	**(467,721,731,518)**	**463,644,478,161**	**(352,736,728,913)**	**5,080,665,298,617**	**5,191,573,047,865**

Preparer

Ms. Hoang Thi Minh Thuy
Chief Accountant

Approver

Ms. Nguyen Thi Thanh Ha
Chief Financial Officer

Approver

Mr. Nguyen Duy Hung
Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2013

NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2012 AND FOR THE FISCAL YEAR THEN ENDED

1. THE COMPANY

Saigon Securities Incorporation ("the Company") is a joint stock company established under the Corporate Law of Vietnam and the Operation License No. 3041/GP-UB dated 27 December 1999 issued by the Ho Chi Minh City People's Committee and the first Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment. The Company then received the Securities Trading License No. 03/GPHDKD issued by the State Securities Commission on 05 April 2000 and subsequently amended licenses.

The primary businesses of the Company are brokerage service, securities trading, finance and investment advisory service, custodian service, and underwriting for securities issues.

The Company's shares were officially listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) from 15 December 2006. On 29 October 2007, the listing was switched to the Ho Chi Minh City Stock Exchange.

The Company's Head Office is located at 72 Nguyen Hue, District 1, Ho Chi Minh City. The Company also has branches based in Ho Chi Minh City, Hanoi, Vung Tau, Hai Phong and Nha Trang.

Chartered Capital

According to the Business Registration No. 056679 dated 30 December 1999 issued by Ho Chi Minh City Department of Planning and Investment, the Company's chartered capital was initially VND 6,000,000,000. The chartered capital has been supplemented over time in accordance with amended licenses. As at 31 December 2012, in accordance with the latest Amended License No. 72/GPDC-UBCK by the Chairman of State Securities Commission, which has been effective since 30 January 2012, the Company's total chartered capital is VND 3,526,117,420,000.

Location and Network

The Company's Head Office is located in 72 Nguyen Hue, District 1, Ho Chi Minh City, Vietnam. As at 31 December 2012, the Company has one (01) Head Office, one (01) branch in Ho Chi Minh City, two (02) branches and one (01) transaction office in Hanoi, one (01) branch in Hai Phong, one (01) branch in Vung Tau and one (01) branch in Nha Trang.

Employees

Total number of employees of the Company and its subsidiaries as at 31 December 2012 is 389 (as at 31 December 2011, total number of employees was 400).

Subsidiaries

As at 31 December 2012, the Company has two (02) directly owned subsidiaries as follows:

Company name	Established under	Business sector	Chartered capital	% holding
SSI Asset Management Company Ltd. (SSIAM)	Operating License No.19/UBCK- GP dated 3 August 2007.	Investment fund management and investment portfolio management.	VND 30 billion.	100%
SSI Investment Member Fund (SSI IMF)	Approval Letter of Member Fund Foundation No.130/TB-UBCK dated 27 July 2010.	Investments in securities and other assets, including real estates.	VND 390 billion.	80%

As at 31 December 2012, the Company has one (01) indirectly owned subsidiary as follows:

Company name	Established under	Business sector	Maximum investment capital	% holding
SSI International Corporation	Register No. SRV 090813396-4724807 dated 27 August 2009 in Delaware, USA. Foreign Investment License No. 249/BKH-DTRNN issued by Ministry of Planning and Investment dated 03 July 2009, and: Amendment Certificate No. 249/BKH-DTRNN-DC1 issued by Ministry of Planning and Investment dated 31 August 2010.	Investments in real estates and office buildings in the United States of America.	USD 18.5 million.	80%, indirectly owned through SSI IMF.

Associates

As at 13 November 2012, the Company has one (01) directly controlled associate as follows:

Company name	Established under	Business sector	Chartered capital	% holding
SSI Vision Fund	Incorporation and Operating Licence No.126/TB-UBCK issued by the State Securities Commission on 14 November 2007.	A closed – end member fund with 5-year operation. The Fund will end its operation on 14 November 2012.	VND 1,700 billion.	37.94% (Initial investment was VND 485 billion, accounting for 28.53% of the Fund's total capital).

SSI Vision Fund is a closed – end member fund with total initial capital of VND 1,700 billion, and 5 – year operation, and established under the Incorporation and Operating License No. 126/TB-UBCK issued by the State Securities Commission dated 14 November 2007. According to the Fund's Charter, its operation ends on 14 November 2012. The Fund is currently conducting necessary procedures on the closing, which are expected to be completed in the first quarter of 2013.

According to the Resolution of the General Meeting dated 15 May 2012 and the Resolution of Unusual General Meeting dated 17 October 2012, the Fund's members reached an agreement that the closure would be on 14 November 2012; accordingly, the Fund would conduct necessary procedures afterwards to transfer its entire investment portfolio into cash and pay to its owners. As at 31 December 2012, as such procedures were still in the process, the Company recognised a receivable from liquidation of the Fund, please refer to Note 8 for details.

As at 31 December 2012, the Company has nine (09) indirectly controlled associates as follows:

Company name	Established under	Business sector	Chartered capital
Bentre Aquaproduct Import and Export Joint Stock Company (ABT)	Decision No. 3423/QD-UB dated 1 December 2003 issued by People's Committee – Ben Tre province, and Business Registration No. 1300376365 dated 26 December 2003 issued by Department of Planning and Investment - Ben Tre Province, the sixth amendment license dated 17 November 2010. The company is listed on Hochiminh Stock Exchange.	Processing and exporting seafood, importing materials and commodities; aquaculture; restaurants and other services.	VND 136,072,070,000
Pan-Pacific Corporation (PAN)	Joint Stock Enterprise Registration No. 0301472704 dated 6 June 2011 issued by Department of Planning and Investment – Hochiminh City (5th amendment). The company formerly operated under Business Registration No. 4103003790 dated 31 August 2005. The company is listed on Hochiminh Stock Exchange.	House cleaning services, trading industrial cleaning equipment; home maintenance services; insecticide service; housing decoration, landscape, garden, rockery, parks, zoos; real estate investment; buildings, apartments management.	VND 115,500,000,000
Hung Vuong Corporation (HVG)	Business Registration No. 5303000053 issued by Department of Planning and Investment – Tien Giang province dated 15 January 2007 and amended licenses. The company is listed on Hochiminh Stock Exchange.	Raising and processing seafood for export; producing foods for aquaculture, livestock and poultry; providing cold storage services and real estates.	VND 791,976,690,000
Binh Thanh Import-Export Production and Trade Joint Stock Company (GIL)	The company was founded as a state-owned company in 1982 directly under People's Committee – Hochiminh City. It was securitized by Decision No. 134/2000/QD-TTg issued by the Government on 24 November 2000 regarding transforming Binh Thanh Import-Export Production and Trade Company to Binh Thanh Import-Export Production and Trade Joint Stock Company. Business Registration No. 4103000253 dated 29 December 2000 and Amended License No. 0302181666 dated 16 February 2012 issued by Department of Planning and Investment – Hochiminh City. The company is listed on Hochiminh Stock Exchange.	Producing, processing and exporting agricultural, forestry and fishery products, crafts, garment... Importing machineries, equipments, materials and supplies … Commercial services and pawnbroking, Construction, Interior decoration, Leveling, Real estates, Business cooperation in restaurants, hotels and tourism.	VND 139,245,880,000
Long An Food Processing Export Joint Stock Company (LAF)	The company was transformed from Long An Processing Export Enterprise according to Decision No. 4206/QDUB dated 1 July 1995 by People's Committee – Long An Province. The company is listed on Hochiminh Stock Exchange.	Processing, storing aqua products and other products; Processing, producing, exporting and importing, agency, brokerage in: agricultural, fishery products and foods etc.; Warehouse, port and office rental; Financial investment and agency.	VND 147,280,190,000
National Seed Joint Stock Company (NSC)	The company was transformed from National Seed Company I according to Decision No. 5029/QD/BNN-TCCB dated 10 November 2003 issued by Ministry of Agriculture and Rural Development and Business Registration No. 0103003628 issued by Department of Planning and Investment – Hanoi City dated 6 February 2004 and 8th Amended License No. 0101449271 dated 23 September 2011. The company is listed on Hochiminh Stock Exchange.	Cultivating and selling seeds and related supplies; Importing and exporting seeds and related supplies; Processing, packaging and preserving seeds and related supplies; Real estate trading.	VND 100,298,380,000
Southern Seed Joint Stock Company (SSC)	SSC is a joint stock company established under Vietnam Enterprise Law and Business Registration No. 4103001067 issued by Department of Planning and Investment – Hochiminh City dated 24 June 2002 and amended licenses. The company is listed on Hochiminh Stock Exchange.	Researching, manufacturing, selling, importing and exporting seeds; Producing, selling, importing and exporting agricultural supplies; Producing and packaging botanical preventive chemicals; Manufacturing, importing and exporting agricultural machineries.	VND 149,923,670,000

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Tên công ty	Được thành lập theo	Ngành hoạt động	Vốn điều lệ
Electronics Communications Technology Investment Development Joint Stock Company (ELC)	Electronics Communications Technology Investment Development Limited Company, precursor of of Elcom, was founded on 15 December 1995. Its primary activity is research on applied technology. Elcom was established under Business Registration No. 0103002552 issued by Department of Planning and Investment – Hanoi City on 18 July 2003. The company is listed on Hochiminh Stock Exchange.	Manufacturing and assembly of electronic products informatics; retailer and consignment; scientific and technical services; Installation and maintenance of telecommunications equipment, low – capacity base station, supporting equipment, power supplies, installation of transmission equipment for microwave routes and cable network; manufacturing computer software, transferring information technology, installation of high- technology system; Counselling information systems, automation systems and electronic and telecommunications systems; provide and analyse database, storage services and data processing; machinery leasing, electrical equipment, electronics, telecommunications, scientific equipment; advertisement; Agents of telecommunications services and internet services, entertainment services with radio, television, newspapers; Investment in livestock, farming and eco-tourism; Purchase, manufacture fire alarms, security alarms ...	VND 366,249,090,000
Transimex – Saigon Corporation (TMS)	Transimex Saigon Corporation is a state-owned company founded in 1983. The company was transformed to joint stock company in accordance with Decision No. 989/QDTTg dated 26 October 1999 by Prime Minister and Business Registration No. 056651 issued by Department of Planning and Investment – Hochiminh City on 3 December 1999. The company is listed on Hochiminh Stock Exchange.	Forwarding agent of importing and exporting sea, air and land cargo. Shipping agents and ship brokers, customs clearance services. Warehouse, bonded warehouse retail packaging collection CFS warehouse, inland clearance points ICD. Land transportation of export and public goods.	VND 230,738,240,000

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiaries expressed in Vietnam dong ("VND") are prepared in accordance with the accounting policies for securities companies as set out in the Circular No. 95/2008/TT-BTC dated 24 October 2008 by the Ministry of Finance (in replacement of Decision No. 99/2000/QD-BTC dated 13 June 2000 by the Ministry of Finance), Circular No. 162/2010/TT-BTC dated 20 October 2010 by the Ministry of Finance and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

Accordingly, the accompanying consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in owners' equity and related notes, including their utilisation are not designed for those who are not informed of Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position, results of operations, cash flows and movements of owner's equity in accordance with accounting principles and practices generally accepted in countries and territories other than Vietnam.

2.2 Applied accounting documentation system

The applied accounting documentation system is the General Journal system.

2.3 Fiscal year

The Company's fiscal year starts on 1 January and ends on 31 December. The Company also prepares consolidated financial statements for the fiscal year ended 31 December annually.

2.4 Accounting currency

The consolidated financial statements are prepared in VND, which is also the Company's accounting currency.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of Saigon Securities Incorporation (the parent company), its subsidiaries and associates for the fiscal year ended 31 December 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the parent company obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the parent company and subsidiaries are prepared for the same reporting period and using the consistent accounting policies.

All intra-company balances, incomes and expenses, and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries which are not held by the Company, and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Receivables

Receivables are presented at the carrying amounts at any time.

Provision for doubtful debts is made based on: i) aging method: for overdue receivables; or ii) estimated potential loss: for current receivables whose institutional borrowers are under bankruptcy or dissolution or individual borrowers has disappeared, or decamped, or been involved in prosecution, trial or execution, or died. Provision expense is recognized into "General and administrative expense" of the period.

As for overdue receivables, provision level is prescribed in Circular 228/2009/TT-BTC issued by Ministry of Finance on 7 December 2009 as follows:

Age of the overdue receivable	Provision level
From six (06) months to less than one (01) year	30%
From one (01) year to less than two (02) years	50%
From two (02) years to less than three (03) years	70%
More than three (03) years	100%

3.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.
Cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs to bring the asset into working condition as its intended use.

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

When tangible fixed assets are sold or disposed, their costs and accumulated depreciation are written off and any gain or loss resulting from their disposal is included in the consolidated income statement.

3.4 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs to bring the asset into working condition as its intended use.

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

When the intangible fixed assets are sold or disposed, their costs and accumulated amortisation are written off and any gain or loss resulting from their disposal is included in the consolidated income statement.

3.5 Depreciation and amortisation

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

Buildings and architectures	6 years
Office machineries	3 years
Means of transportation	6 years
Office equipments	3 - 5 years
Software	3 - 5 years
Land use rights with indefinite life	not amortised
Other intangible fixed assets	5 - 7 years

3.6 Investment properties

Investment properties are stated at cost, inclusive of related transaction fees less accumulated depreciation.
Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.
Depreciation and amortisation of the property is calculated on a straight-line basis over the estimated useful life of each asset.

3.7 Operating lease

Rentals respective to operating leases are included in the consolidated income statement on a straight-line basis over the term of the lease.

3.8 Financial investments and provision for diminution in price of securities

Circular No. 95/2008/TT-BTC allows securities companies to account for securities investments under either cost accounting method or fair value accounting method. Accordingly, the Company chooses the cost accounting method to record its securities investments.

Trading securities and long-term investment securities are initially recognized at cost.

These securities are continually recognized at cost less accumulated gains before purchase date, if any.

Provision for diminution in price of securities is made for individual stocks whose market values are lower than book values.

The market prices of listed equity securities are determined based on the matching prices on stock markets (which are average prices on Hanoi Stock Exchange and closing prices on Ho Chi Minh City Stock Exchange) as at 31 December 2012.

Market prices of unlisted equity securities are referenced to average trading prices quoted on the trading market of unlisted public companies' securities (UPCoM) for registered members, or the average price of public quotations from at least three securities companies, quotations on Investment Journal as at 31 December 2012 for unregistered members.

For securities which have no reference prices from the above sources, the impairment level is determined based on the financial performance and book value of securities issuers as at 31 December 2012.

3.9 Investments in associates

An associate is an entity in which the Company has significant influence but that is neither subsidiaries nor joint ventures. The Company generally deems they have significant influence if they have over 20% of the voting rights.

The Company's investments in associates are accounted for using the equity method of accounting.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over 3-year period. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting year as the Company and use the same accounting policies. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company's associates are listed in Note 14.

3.10 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date ("repos") are not recognized on the consolidated balance sheet. The corresponding cash receipt is recognized as a liability in the consolidated balance sheet, the difference between the selling price and repurchasing price is recognized as an asset/ an expense pending for allocation and is allocated to the consolidated income statement over the life of the agreement.

Securities purchased under agreements to resell at a specified future date ("reverse repos") are not recognized in the consolidated balance sheet. The corresponding cash payment is recognized as an asset in the consolidated balance sheet, the difference between the purchasing price and reselling price is recognized as an income/ a liability pending for allocation and is allocated to the consolidated income statement over the life of the agreement.

3.11 Payables and accrued expenses

Payables and accrued expenses are recognized for amounts to be paid in the future for interest of convertible bonds, goods and services received, whether or not billed to the Company.

3.12 Accruals for severance pay

The severance payment to employee is accrued at the end of each reporting period for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary of the 6-month period up to the termination for each year of service in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing from 1 January 2009, the average monthly salary used for this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any changes to the accrued amount will be taken to the consolidated income statement.

3.13 Foreign currency transactions

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the commercial bank's exchange rate ruling at the transaction date. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated at inter-bank exchange rates ruling at the consolidated balance sheet date. All realized and unrealized foreign exchange differences are taken to the consolidated income statement.

3.14 Treasury shares

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

3.15 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of receipts or receivables less trade discount, concessions and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Revenue is recognized to the extent of work-completeness when the result of the contract can be ensured. In case when the contractual result cannot be ensured, the revenue will only be recognized to the extent of recovery of recorded expenses.

Revenue from trading securities

Revenue from trading securities are determined by the differences between selling prices and the weighted average cost of securities sold.

Repurchase and reverse repurchase agreement

Revenue is taken into the consolidated income statement on a straight-line basis over the term of agreements.

Interest

Revenue is recognized in the consolidated income statement on accrual basis (taking into account the effective yield on the asset), except for cumulative gains before purchase date (which is recognized as deductions to cost of securities) or doubtful collectability.

Dividend

Revenue is recognized when the Company's entitlement as an investor to receive the dividend is established, except for dividends received in form of stocks, the number of received stocks is accounted for in notes to the financial statements without recognition of value of received stocks or financial revenue or an increase in investment value.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the term of the lease.

3.16 Corporate income tax

Current income tax

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

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

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

Deferred income tax

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

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

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which affects neither the accounting profit nor taxable profit or loss upon the incurrence of the related transaction; and
- In respect of taxable temporarily differences associated with investments in subsidiaries and associates, and capital contributions in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized, except:

- Where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporarily differences associated with investments in subsidiaries, associates, and capital contributions in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

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

3.17 Appropriation of net profits and reserves

The Company will distribute the annual net profit after corporate income tax and distribution to reserves (in accordance with the Company's policy and as required by Vietnamese Laws) in accordance with resolutions of Shareholders' Meetings.

The Company uses retained earnings to create reserves in accordance with the Circular No. 11/2000/TT-BTC issued by the Ministry of Finance on 01 February 2000 and Decision No. 27/2007/QĐ-BTC issued by the Ministry of Finance on 24 April 2007, as follows:

	Percentage of profit after tax	Maximum level
Capital Supplementary Reserve	5%	100% of chartered capital
Statutory Reserve	5%	10% of chartered capital

Other reserves and funds are created in accordance with resolutions of Shareholders' Meetings.

4. CASH AND CASH EQUIVALENTS

	31 December 2012 (VND)	31 December 2011 (VND)
Cash on hand	157,236,602	152,163,551
Cash at bank	806,703,214,384	729,943,429,280
In which:		
- *Cash at bank of the Company*	*111,471,419,671*	*88,757,731,296*
- *Cash at bank for trading securities of investors (investors' deposits)*	*695,231,794,713*	*601,838,543,283*
- *Cash at bank of trustees (*)*	-	*39,347,154,701*
Cash equivalents	1,140,230,000,000	1,215,669,218,716
- *Term deposits due within 3 months (**)*	*1,140,230,000,000*	*1,215,669,218,716*
	1,947,090,450,986	**1,945,764,811,547**

(*) In accordance with Circular No.125/2011/TT-BTC dated 5 September 2011 issued by Ministry of Finance providing guidance on accounting applicable for fund management companies, taking effective since 1 January 2012, deposits, securities, investment portfolio and account receivables and payables of trust investors as well as trust capital received will be managed off-balance sheet instead of being recognized on the balance sheet.

(**) Among these term deposits, a VND 100 billion one-month term deposit at Vietnam Export Import Commercial Joint Stock Bank (Eximbank) and a VND 100 billion three-month term deposit at Bank for Investment and Development of Vietnam (BIDV) were used as collaterals for the Company's borrowings. Please refer to Note 17 – Short-term borrowings.

5. TRADING VALUE AND TRADING VOLUME IN THE YEAR

	Trading volume during the year (Unit)	Trading value during the year (VND)
The Company	31,362,301	1,839,506,678,800
- *Shares*	*14,061,471*	*250,160,992,800*
- *Bonds*	*17,138,000*	*1,588,547,819,000*
- *Others (investment fund certificates)*	*162,830*	*797,867,000*
Investors	3,290,751,658	65,590,423,995,680
- *Shares*	*3,150,322,418*	*52,063,529,192,470*
- *Bonds*	*125,965,350*	*13,451,263,168,210*
- *Others (investment fund certificates)*	*14,463,890*	75,631,635,000
	3,322,113,959	**67,429,930,674,480**

6. FINANCIAL INVESTMENTS

6.1 Short-term investments

Company's short-term investment portfolio as at 31 December 2012 and 31 December 2011 is as followed:

Item	Quantity	Book value (VND)	In comparison with market value		Market value VND
			Appreciation VND	Depreciation VND	
As at 31 December 2012					
Trading securities	***34,662,506***	***589,163,797,759***	***20,836,630,523***	***(194,353,925,227)***	***415,646,503,055***
Listed shares	30,793,624	477,229,343,888	20,836,630,523	(147,309,314,209)	350,756,660,202
Unlisted shares	3,743,882	99,434,453,871	-	(47,044,611,018)	52,389,842,853
- *Portion whose market value is determinable (*)*	*3,673,382*	*92,384,453,871*	-	*(47,044,611,018)*	*45,339,842,853*
- *Portion whose market value is undetermi-nable (**)*	*70,500*	*7,050,000,000*	-	-	*7,050,000,000*
Bonds	125,000	12,500,000,000	-	-	12,500,000,000
- *Portion whose market value is determinable*	-	-	-	-	-
- *Portion whose market value is undetermi-nable (**)*	125,000	12,500,000,000	-	-	12,500,000,000
Other short-term investments	-	***1,703,000,000,000***	-	-	***1,703,000,000,000***
Term deposits due in more than 3 months (***)	-	1,703,000,000,000	-	-	1,703,000,000,000
	34,662,506	**2,292,163,797,759**	**20,836,630,523**	**(194,353,925,227)**	**2,118,646,503,055**
As at 31 December 2011					
Trading securities	***48,217,355***	***1,052,561,099,307***	***15,286,727,178***	***(303,123,545,515)***	***764,724,280,970***
Listed shares	44,540,705	873,223,160,334	15,286,727,178	(292,141,620,515)	596,368,266,997
Unlisted shares	3,017,150	93,173,000,000	-	(10,981,925,000)	82,191,075,000
Bonds	659,500	86,164,938,973	-	-	86,164,938,973
- *Portion whose market value is determinable*	-	-	-	-	-
- *Portion whose market value is undetermi-nable (**)*	*659,500*	*86,164,938,973*	-	-	*86,164,938,973*
Other short-term investments	-	***476,649,028***	-	-	***476,649,028***
Term deposits due in more than 3 months	-	*476,649,028*	-	-	*476,649,028*
	48,217,355	**1,053,037,748,335**	**15,286,727,178**	**(303,123,545,515)**	**765,200,929,998**

(*): Market value of these securities is determined by net asset value/book value of issuers, or quoted prices in investment journals.

(**): Market value of securities whose market values are undeterminable is stated at their book value due to unavailability of market information.

(***): Among these deposits, a one-month 100-billion-dong deposit at Vietnam Prosperity Joint Stock Commercial Bank (VPbank) and a one-year 850-billion-dong deposit at Bank for Investment and Development of Vietnam (BIDV) are security of overdrafts. Refer to Note 17 – Short-term borrowings for more details.

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NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2012 AND FOR THE FISCAL YEAR THEN ENDED

6.2 Long-term financial investments

Company's long-term investment portfolio as at 31 December 2012 and 31 December 2011 is as followed:

Item	Quality	Book value VND	In comparison with market value		Market value VND
			Appreciation VND	Depreciation VND	
As at 31 December 2012					
Available-for-sales securities	***24,290,220***	***1,056,730,351,972***	***3,641,009,204***	***(82,059,042,586)***	***978,312,318,590***
Listed shares	10,234,553	258,115,910,455	1,852,009,204	(53,348,175,958)	206,619,743,701
Unlisted shares (*)	7,750,632	131,989,207,174	1,789,000,000	(28,710,866,628)	105,067,340,546
Bonds	6,305,035	666,625,234,343	-	-	666,625,234,343
- *Portion whose market value is de-terminable*	-	-	-	-	-
- *Portion whose market value is un-determinable (**)*	*6,305,035*	*666,625,234,343*	-	-	*666,625,234,343*
Held-to-maturity securities	-	-	-	-	-
Other long-term investments	***12,666,999***	***548,616,990,000***	-	***(93,178,900,000)***	***455,438,090,000***
Portion whose market value is determi-nable (*)	12,666,999	548,616,990,000	-	(93,178,900,000)	455,438,090,000
- *Vissai Cement Central Region Joint stock Company*	*900,000*	*10,000,000,000*	-	*(775,900,000)*	*9,224,100,000*
- *SSI Real Estates Joint stock Com-pany*	*1,499,999*	*14,999,990,000*	-	-	*14,999,990,000*
- *Hoang Anh Gia Lai Rubber Joint Stock Company*	*10,267,000*	*523,617,000,000*	-	*(92,403,000,000)*	*431,214,000,000*
Portion whose market value is undeter-minable	-	-	-	-	-
	36,957,219	**1,605,347,341,972**	**3,641,009,204**	**(175,237,942,586)**	**1,433,750,408,590**

(*): Market value of these securities is determined by net asset value/book value of issuers, or quoted prices in investment journals.

(**): Market value of securities whose market values are undeterminable is stated at their book value due to unavailability of market information.

Out of which 200,000 bonds, equivalent to VND 20,132,645,562, are underlying assets of repurchase agreements. Refer to Note 37.5 – Collaterals for more details.

6.2 Long-term financial investments (continued)

Item	Quality	Book value VND	In comparison with market value		Market value VND
			Appreciation VND	Depreciation VND	
As at 31 December 2011					
Available-for-sales securities	***22,456,423***	***1,128,856,979,464***	***3,163,320,881***	***(166,853,124,408)***	***965,167,175,937***
Listed shares	9,195,965	346,141,584,971	3,163,320,881	(133,643,284,762)	215,661,621,090
Unlisted shares	6,355,458	87,791,294,397	-	(14,220,179,920)	73,571,114,477
Bonds	6,905,000	694,924,100,096	-	(18,989,659,726)	675,934,440,370
- Portion whose market value is determinable (***)	*600,000*	*63,298,865,753*	-	*(18,989,659,726)*	*44,309,206,027*
- Portion whose market value is undeterminable (*)	*6,305,000*	*631,625,234,343*	-	-	*631,625,234,343*
Held-to-maturity securities	-	-	-	-	-
Other long-term investments	***32,622,499***	***749,788,390,000***	-	***(833,500,000)***	***748,954,890,000***
Portion whose market value is determinable (**)	22,355,499	226,171,390,000	-	(833,500,000)	225,337,890,000
- Vissai Cement Central Region Joint stock Company	*900,000*	*10,000,000,000*	-	*(833,500,000)*	*9,166,500,000*
- Petrolimex Group Commercial Joint Stock Bank	*19,955,500*	*201,171,400,000*	-	-	*201,171,400,000*
- SSI Real Estates Joint stock Company	*1,499,999*	*14,999,990,000*	-	-	*14,999,990,000*
Portion whose market value is undeterminable (*)	10,267,000	523,617,000,000	-	-	523,617,000,000
- Hoang Anh Gia Lai Rubber Joint Stock Company	*10,267,000*	*523,617,000,000*	-	-	*523,617,000,000*
	55,078,922	**1,878,645,369,464**	**3,163,320,881**	**(167,686,624,408)**	**1,714,122,065,937**

(*): Market value of securities whose market values are undeterminable is stated at their book value due to unavailability of market information.

(**): Market value of these securities is determined by net asset value/book value of issuers, or quoted prices in investment journals.

(***): The portion represents the book value and provision of Vinashin bonds. The provision was made based on the Company's own assessment of potential recoverability.

Other long-term investments represent the Company's contributions in investees for long-term purposes. The list of the Company's investees as at 31 December 2012 is as follows:

- On 16th December 2011, the Company contributed capital to the Hoang Anh Gia Lai Rubber Joint Stock Company. Accordingly to the contract, the Company's capital contribution accounts for 2.62% of the chartered capital of Hoang Anh Gia Lai Rubber JSC. The main operations of the investee include: planting rubber trees and other perennials; planting and protecting forests; rubber trading, seed producing and trading; other plating services, production of fertilizers and nitrogen compounds; industrial equipment trading, mining, forestry and construction; trading of other building materials and equipment; trading of agricultural and forestry materials (except wood, bamboo), stone mining, buy, sell, consign goods; buy, sell, export rubber liquid with legal origin, production and processing of rubber; mining chemical and fertilizer mineral; exploitation and collection of peat coal, iron ore, nonferrous metals and production of precious metals, production of iron and steel.

- The investment in Vissai Cement Central Region Joint stock Company, formerly Dai Viet Construction and Investment Company, was made in 2007. Main activities of this company are construction materials, interior and exterior decoration materials exploiting, producing and trading; executing, installing, improving and decorating for construction buildings.

- The Company also contributed capital in SSI Real Estates Joint stock Company in 2007 as a foundation shareholder. Main activities of SSI Real Estate Joint stock Company are houses, industry parks, residential quarters, office buildings investment and trading; lands and offices leasing and managing services.

6.3 Provision for investment diminution

Provision for short-term investments

Items	Quantity	Book value VND	Depreciation in comparison with market value VND	Market value VND
Listed shares				
DAC	47,366	2,251,325,570	(1,540,835,570)	710,490,000
NSP	418,273	4,182,730,000	(1,087,509,800)	3,095,220,200
FPT	210,690	8,608,369,280	(1,192,181,578)	7,416,187,702
PDN	410,120	9,707,131,800	(930,563,800)	8,776,568,000
VFMVF4	14,226,250	124,687,062,241	(62,091,562,241)	62,595,500,000
SVC	2,345,442	48,978,224,783	(17,080,213,584)	31,898,011,199
TMT	2,500,238	65,813,021,526	(54,045,084,241)	11,767,937,285
VHL	1,244,939	21,801,196,622	(8,978,324,923)	12,822,871,699
Others	18,505	543,818,473	(363,038,472)	180,780,001
	21,421,823	**286,572,880,295**	**(147,309,314,209)**	**139,263,566,086**
Unlisted shares				
Vien Dong Pharmaceutical Joint Stock Company	2,869	117,843,800	(107,802,300)	10,041,500
VMG Communication JSC	714,000	23,205,000,000	(357,000,000)	22,848,000,000
AGF Delta Investment and Construction JS Company	200,000	2,000,000,000	(1,905,600,000)	94,400,000
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	2,140,000	53,000,000,000	(35,880,000,000)	17,120,000,000
Pythis JS Company	190,000	3,268,000,000	(1,558,000,000)	1,710,000,000
E Den JS Company	199,650	4,650,000,000	(3,252,450,000)	1,397,550,000
Descon Industrial Construction JSC	226,120	6,131,898,718	(3,983,758,718)	2,148,140,000
	3,672,639	**92,372,742,518**	**(47,044,611,018)**	**45,328,131,500**
	25,094,462	**378,945,622,813**	**(194,353,925,227)**	**184,591,697,586**

Provision for long-term investments

Items	Quantity	Book value VND	Depreciation in comparison with market value VND	Market value VND
Listed shares				
HAG	1,670,741	56,935,268,206	(20,847,262,610)	36,088,005,596
PDN	1,134,721	38,486,340,864	(14,203,311,464)	24,283,029,400
FPT	1,498,500	70,720,795,792	(17,973,595,792)	52,747,200,000
APC	2,265,690	23,428,395,299	(318,357,299)	23,110,038,000
NET	183,500	7,070,398,793	(5,648,793)	7,064,750,000
	6,753,152	**196,641,198,954**	**(53,348,175,958)**	**143,293,022,996**
Unlisted shares				
Viglacera Dap Cau Glass JS Company	800,000	15,200,000,000	(13,540,000,000)	1,660,000,000
Vinh Tuong Industrial JSC	132,140	3,039,220,000	(1,156,225,000)	1,882,995,000
Hoang Anh Gia Lai Rubber JSC	10,267,000	523,617,000,000	(92,403,000,000)	431,214,000,000
Vissai Cement Central Region JS Company	900,000	10,000,000,000	(775,900,000)	9,224,100,000
Descon Industrial Construction JSC	398,470	11,324,672,774	(7,539,207,774)	3,785,465,000
Cat Ba Tourism JSC	999,999	11,999,988,000	(3,545,996,454)	8,453,991,546
Viet Tin JSC	6,299	6,654,826,400	(1,450,592,600)	5,204,233,800
Others	4,013,724	51,987,500,000	(1,478,844,800)	50,508,655,200
	17,517,632	**633,823,207,174**	**(121,889,766,628)**	**511,933,440,546**
	24,270,784	**830,464,406,128**	**(175,237,942,586)**	**655,226,463,542**

The market prices of listed equity securities are determined based on the matching prices on stock markets (which are average prices on Hanoi Stock Exchange and closing prices on Ho Chi Minh City Stock Exchange) as at 31 December 2012.

Market prices of unlisted equity securities are referenced to average trading prices quoted on the trading market of unlisted public companies' securities (UPCoM) for registered members, or the average price of public quotations from at least three securities companies, quotations on Investment Journal as at 31 December 2012 for unregistered members.

For securities which have no reference prices from the above sources, the impairment level is determined based on the financial performance and book value of securities issuers as at 31 December 2012.

7. SHORT-TERM INVESTMENTS OF TRUSTEES

	31 December 2012 VND	31 December 2011 VND
Listed shares	-	109,975,989,696
Unlisted shares	-	9,477,000,000
	-	**119,452,989,696**

In accordance with Circular No.125/2011/TT-BTC dated 5 September 2011 issued by Ministry of Finance providing guidance on accounting applicable for fund management companies, taking effective since 1 January 2012, deposits, securities, investment portfolio and account receivables and payables of trust investors as well as trust capital received will be managed off-balance sheet instead of being recognized on the consolidated balance sheet.

8. SHORT-TERM RECEIVABLES

	31 December 2012 VND	31 December 2011 VND
Receivables from investors	500,024,123,162	291,054,053,897
- Advances to investors	*203,554,006,741*	*26,751,833,547*
- Receivables from margin contracts	*185,273,928,623*	*103,770,474,680*
- Receivables from investment cooperation contracts (engaged before 30 August 2011)	*1,300,000,000*	*157,185,719,632*
- Receivables from Vinashin bonds (1)	*60,000,000,000*	-
- Receivables from liquidation of SSVIF (2)	*14,593,307,741*	-
- Receivables from advisory services (3)	*34,703,719,489*	*2,323,014,127*
- Receivables from portfolio and fund management services	*96,212,146*	*625,397,883*
- Other receivables	*502,948,422*	*397,614,028*
Advances to suppliers	4,092,973,299	2,223,755,828
Receivables from securities activities	7,317,649,764	677,728
Other receivables	*339,346,884,820*	*122,281,746,055*
- Deposit interest receivables	*19,567,552,410*	*6,586,311,679*
- Receivables from securities issuers (bond coupons, dividends, bill interests)	*44,600,956,072*	*51,594,391,003*
- Receivables from reversed repurchase agreements	-	*54,005,000,000*
- Receivables from bond brokerage contracts (4)	*272,100,000,000*	-
- Fee receivables from investment cooperation contracts	*150,944,442*	*6,440,323,295*
- Social insurance receivable	-	75,982,084
- Other receivables	*2,927,431,896*	*3,579,737,994*
	850,781,631,045	**415,560,233,508**

(1) Overdue receivable of Vinashin bonds.
(2) The Company's initial investment in SSI Vision Fund amounted to VND 485 billion, which accounted for 28.53% of total charter capital of the Fund. As stated in the Fund's Charter, its operation ends on 14 November 2012. According to the Resolution of the General Meeting dated 15 May 2012 and the Resolution of Unusual General Meeting dated 17 October 2012, the Fund's members reached an agreement that the closure would be on 14 November 2012; accordingly, the Fund would conduct necessary procedures afterwards to transfer its entire investment portfolio into cash and pay to its owners. The Fund was conducting final settlement of its net assets, including shares, cash and receivables. As at 31 December 2012, SSI is entitled to a receivable amounting to VND 14,593,307,741 from liquidation of the Fund.
(3) Out of VND 34,703,719,489 is VND 32,194,000,000 due from bond issuance advisory service. This fee was collected in January 2013.
(4) Receivables from bond brokerage contracts are the Company's disbursements made in accordance with bond brokerage contracts, in which the Company deposits a certain amount of cash to customers to buy bonds as requested by the Company. In case, the customers fail to fulfil their commitment, they will pay back the deposits to the Company plus a penalty.

9. PROVISION FOR DOUBTFUL RECEIVABLES

Provision for doubtful receivables mostly represents the provision for Vinashin bonds. Detail of provision for doubtful receivables as at 31 December 2012 is as below:

	31 December 2012 VND	31 December 2011 VND
Principal of Vinashin bonds (*)	(51,000,000,000)	-
Vinashin bond coupon	(5,934,246,575)	(5,934,246,575)
Receivables from liquidation of SSI Vision Fund	(8,817,289,058)	-
Others	(433,300,000)	(12,002,500,000)
	(66,184,835,633)	**(17,936,746,575)**

(*) The provision for receivables from Vinashin bonds was made based on the Company's own assessment of potential recoverability. Accordingly, the Company made the provision for overdue Vinashin bonds held as at 31 December 2012.

10. OTHER CURRENT ASSETS

	31 December 2012 VND	31 December 2011 VND
Advances to employees	1,286,108,519	1,828,282,441
Short-term prepaid expenses	5,092,189,783	5,334,439,840
Short-term pledges and deposits	542,305,000	549,105,000
Prepaid corporate income tax of subsidiaries	464,966,248	3,347,725,304
Value-added tax deductible	119,318,128	85,921,890
	7,504,887,678	**11,145,474,475**

11. TANGIBLE FIXED ASSETS

	Buildings and architectures VND	Office machineries VND	Means of transportation VND	Office equipments VND	Total VND
Cost					
As at 31/12/2011	2,609,391,520	76,460,915,559	16,875,816,403	1,909,158,397	97,855,281,879
Increases	-	3,849,963,400	-	87,120,000	3,937,083,400
Purchases	-	*3,849,963,400*	-	*87,120,000*	*3,937,083,400*
Decreases	-	(2,037,500,573)	(3,707,609,000)	(31,900,000)	(5,777,009,573)
Disposals	-	*(2,037,500,573)*	*(3,707,609,000)*	*(31,900,000)*	*(5,777,009,573)*
As at 31/12/2012	2,609,391,520	78,273,378,386	13,168,207,403	1,964,378,397	96,015,355,706
Accumulated depreciation					
As at 31/12/2011	1,304,380,617	47,932,951,186	11,432,710,893	1,516,344,844	62,186,387,540
Increases	449,269,148	12,324,897,061	1,819,328,742	267,131,539	14,860,626,490
Charges	*449,269,148*	*12,324,897,061*	*1,819,328,742*	*267,131,539*	*14,860,626,490*
Decreases	-	(1,756,082,099)	(3,338,023,922)	(31,900,000)	(5,126,006,021)
Disposals	-	*(1,756,082,099)*	*(3,338,023,922)*	*(31,900,000)*	*(5,126,006,021)*
As at 31/12/2012	1,753,649,765	58,501,766,148	9,914,015,713	1,751,576,383	71,921,008,009
Net book value					
As at 31/12/2011	1,305,010,903	28,527,964,373	5,443,105,510	392,813,553	35,668,894,339
As at 31/12/2012	855,741,755	19,771,612,238	3,254,191,690	212,802,014	24,094,347,697

12. INTANGIBLE FIXED ASSETS

	Software VND	Land use right with indefinite life VND	Other tangible fixed assets VND	Total VND
Cost				
As at 31/12/2011	42,868,697,151	109,671,558,000	1,656,576,688	154,196,831,839
Increases	2,080,681,440	-	-	2,080,681,440
Purchases	*2,080,681,440*	-	-	*2,080,681,440*
Decreases	-	-	-	-
As at 31/12/2012	44,949,378,591	109,671,558,000	1,656,576,688	156,277,513,279
Accumulated depreciation				
As at 31/12/2011	24,101,559,972	-	1,554,075,004	25,655,634,976
Increases	9,422,812,328	-	41,320,892	9,464,133,220
Charges	*9,422,812,328*	-	*41,320,892*	*9,464,133,220*
Decreases	-	-	-	-
As at 31/12/2012	33,524,372,300	-	1,595,395,896	35,119,768,196
Net book value				
As at 31/12/2011	18,767,137,179	109,671,558,000	102,501,684	128,541,196,863
As at 31/12/2012	11,425,006,291	109,671,558,000	61,180,792	121,157,745,083

13. INVESTMENT PROPERTIES

	Buildings and lands (*) VND	Other investment properties VND	Total VND
Cost			
As at 31/12/2011	282,497,013,600	-	282,497,013,600
Increases	1,115,722,920	-	1,115,722,920
Purchases	*1,115,722,920*	-	*1,115,722,920*
Decreases	-	-	-
As at 31/12/2012	283,612,736,520	-	283,612,736,520
Accumulated depreciation			
As at 31/12/2011	7,109,857,997	-	7,109,857,997
Increases	7,155,762,746	-	7,155,762,746
Charges	*7,155,762,746*	-	*7,155,762,746*
Decreases	-	-	-
As at 31/12/2012	14,265,620,743	-	14,265,620,743
Net book value			
As at 31/12/2011	275,387,155,603	-	275,387,155,603
As at 31/12/2012	269,347,115,777	-	269,347,115,777

(*) Included in this item are six (06) buildings in the United States, which were bought by SSI International Company for the purpose of leasing. As at 31 December 2011, the cost of those assets is USD 13,769,423.66, equivalent to VND 282,497,013,600. In 2012, SSI International Company adjusted the cost of those assets to the actual amount. Accordingly, the revised cost of those assets is USD 13,824,781.70, equivalent to VND 283,612,736,520; in which, lands value to USD 2,544,423.18, equivalent to VND 52,065,180,034, and buildings value to 11,280,385.52 USD, equivalent to VND 231,547,556,486. Rental revenue for the year 2012 is VND 11,686,425,009.

14. INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

Investments in associates of the Company as at 31 December 2012 and 31 December 2011 are as follows:

	% ownership of the Company %	% voting right of the Company %	31 December 2012 VND	31 December 2011 Restated (*) VND
SSI Vision Fund	-	-	-	483,846,448,559
Ben Tre Aquaproduct Import and Export JSC	24.0%	25.0%	112,184,115,815	134,906,247,108
Hung Vuong Corporation	20.0%	20.0%	446,226,979,256	410,758,104,260
Pan-pacific Corporation	20.0%	20.4%	66,343,313,982	54,939,092,153
Binh Thanh Import-Export Production and Trade Joint Stock Company				
Production and Trade Joint Stock Company	25.3%	25.4%	80,423,308,230	-
National Seed Joint Stock Company	20.0%	20.0%	71,161,019,957	-
Southern Seed Joint Stock Company	20.0%	20.1%	89,591,299,013	-
Long An Food Processing Export Joint Stock Company	20.0%	20.0%	35,042,388,806	-
Electronics Communications Technology Investment Development Joint Stock Company	20.0%	20.0%	200,600,757,738	-
Transimex-Saigon Corporation	20.0%	20.0%	114,887,252,451	-
			1,216,460,435,248	**1,084,449,892,080**

(*): The restatement involves the integration of Goodwill to Investments in associates and joint-ventures in the consolidated balance sheet. Details of restated investments are as follows:

	Reported balance VND	Reclassification of goodwill VND	Restated balance VND
SSI Vision Fund	483,846,448,559	-	483,846,448,559
Ben Tre Aquaproduct Import and Export JSC	112,461,220,086	22,445,027,022	134,906,247,108
Hung Vuong Corporation	410,758,104,260	-	410,758,104,260
Pan-pacific Corporation	54,939,092,153	-	54,939,092,153
	1,062,004,865,058	**22,445,027,022**	**1,084,449,892,080**

Profit/ (Loss) from investment in associates (including (goodwill)/negative goodwill at acquisition and share of profit/(loss) from the acquisition date) charged to the consolidated income statement as at 31 December 2012 and 31 December 2011 under the equity method of accounting are shown below:

	Current year VND	Previous year VND
SSI Vision Fund	(6,053,150,562)	(83,591,638,990)
Ben Tre Aquaproduct Import and Export JSC	15,950,790,320	(584,637,381)
Hung Vuong Corporation	63,951,954,728	29,592,849,145
Pan-pacific Corporation	17,264,268,862	17,984,285,906
Binh Thanh Import-Export Production and Trade Joint Stock Company	2,661,385,055	-
National Seed Joint Stock Company	5,729,610,742	-
Southern Seed Joint Stock Company	(2,231,982,768)	-
Long An Food Processing Export Joint Stock Company	(9,455,381,037)	-
Electronics Communications Technology Investment Development Joint Stock Company	-	-
Transimex-Saigon Corporation	18,242,414,945	-
Net profit/(loss)	**106,059,910,285**	**(36,599,141,321)**

15. LONG-TERM PREPAID EXPENSES

	31 December 2012 VND	31 December 2011 VND
Prepaid advisory fees	6,898,276,376	14,423,668,784
Office and equipment maintenance expense	1,963,484,017	5,858,762,426
	8,861,760,393	**20,282,431,210**

16. PAYMENT FOR SETTLEMENT ASSISTANCE FUND

	31 December 2012 VND	31 December 2011 VND
Initial payment and annual supplements	12,513,859,767	11,620,436,954
Annual allocated interest	2,469,052,029	1,269,495,696
	14,982,911,796	**12,889,932,650**

17. SHORT-TERM BORROWINGS

	31 December 2012 VND	31 December 2011 VND
Short-term borrowings (*)	90,000,000,000	-
Bank overdraft (**)	267,728,021,077	-
	357,728,021,077	**-**

(*) As at 31 December 2012, the Company had a short-term borrowing at Vietnam Export Import Commercial Joint Stock Bank (Eximbank) with 2-month term to maturity and 8%-per-annum interest rate. The borrowing was secured by a 100-billion-dong deposit of the Company at Vietnam Prosperity Joint-Stock Commercial Bank.

(**) This is an overdraft at Bank for Investment and Development of Vietnam ("BIDV") which is pledged by one-year term deposits at BIDV. The interest rate of the overdraft ranges from 10.5% p.a to 10.8% p.a.

18. ADVANCES FROM CUSTOMERS

	31 December 2012 VND	31 December 2011 VND
Advances for advisory services	4,040,373,750	4,995,842,440
Advances for securities purchases (*)	95,009,400,000	65,009,400,000
Management fee prepaid by SSI Vision Fund to SSIAM	-	3,484,586,392
	99,049,773,750	**73,489,828,832**

(*) This balance mainly represented advances from customers to purchase shares of unlisted companies. As the ownership transfer procedures have not been completed, these stocks are still recognised in the long-term investment portfolio.

19. STATUTORY OBLIGATIONS

	31 December 2012 VND	31 December 2011 VND
Value added tax (VAT)	5,269,593,349	378,513,020
Corporate income tax (*)	9,111,512,048	-
Personal income tax	3,489,079,612	3,160,205,887
Other taxes	848,665,436	2,103,675,109
	18,718,850,445	**5,642,394,016**

(*) Refer to Note 31 for detailed estimation of current corporate income tax expense.

Summary of the Company's statutory obligations for the fiscal year ended 31 December 2012 is presented as follows:

No.	Items	31 December 2011 VND	Payable in the period VND	Paid in the period VND	31 December 2012 VND
I	**Tax**	**2,294,668,712**	**128,404,309,841**	**112,445,094,356**	**18,253,884,197**
1	Value added tax on domestic goods and services	378,513,020	8,110,026,832	3,218,946,503	5,269,593,349
2	Value added tax on imported goods	-			
3	Import tax	-			
4	Corporate income tax (*)	(3,347,725,304)	82,746,476,426	70,752,205,322	8,646,545,800
5	Land tax	-	-	-	-
6	Land Rentals	-	-	-	-
7	Other taxes	5,263,880,996	37,547,806,583	38,473,942,531	4,337,745,048
	Personal income tax	*2,748,793,957*	*16,988,814,460*	*16,657,958,392*	*3,079,650,025*
	PIT of investors	*411,411,930*	*8,251,391,798*	*8,253,374,141*	*409,429,587*
	Business registration tax	-	*14,000,000*	*14,000,000*	-
	Others	*2,103,675,109*	*12,293,600,325*	*13,548,609,998*	*848,665,436*
II	**Other payables**	**-**	**992,236**	**992,236**	**-**
1	Fees and charges	-	-	-	-
2	Others	-	992,236	992,236	-
		2,294,668,712	**128,405,302,077**	**112,446,086,592**	**18,253,884,197**

(*) Payable Corporate income tax for the year 2012 includes prepaid corporate income tax of subsidiaries and additional tax obligation in pursuant to Tax Finalization. Refer to Note 10 and Note 30.1 for more details.

20. ACCRUED EXPENSES

	31 December 2012 VND	31 December 2011 VND
Accrued convertible bond interest expenses	594,967,678	-
Accrued payables to Stock Exchange and Securities Custody Center	2,160,248,269	2,159,660,934
Payable to Custodian Bank	23,350,000	21,000,000
Payables to PVFC	7,755,626	7,755,626
Accrued expenses on repurchase contracts and cooperation contracts	793,804,982	1,579,498,264
Payable in relation with bond brokerage contracts	2,267,577,777	-
Accrued training, seminars and consulting expenses	425,000,000	260,000,000
Accrued audit fee	881,658,000	896,079,600
Commission to partners	741,039,893	1,011,901,617
Others	1,288,388,328	246,427,512
	9,183,790,553	**6,182,323,553**

21. OTHER SHORT-TERM PAYABLES

	31 December 2012 VND	31 December 2011 VND
Payables under repurchase contracts (*)	17,690,685,976	155,589,925,000
Payables under cooperation contracts (**)	48,914,282,437	204,905,766,183
Payables to foreign customers	1,065,450,092	13,175,868,406
Short-term deposits of investors (***)	1,114,504,309,449	4,685,000,000
Payables regarding securities purchases	-	36,356,801,104
Other payables	7,613,375,153	1,965,957,671
	1,189,788,103,107	**416,679,318,364**

(*) Payables under repurchase contracts are cash receipts when the Company sells securities in accordance with repurchase contracts. Details of underlying securities are listed in Note 37.5.

(**) These are payables related to business cooperation contracts between the Company and its customers, accordingly the customers transfer cash to the Company and are entitled to a certain interest as agreed in the contracts.

(***) Short-term deposits of investors represents cash deposits of customers related to bond brokerage contracts. The Company has commitment to use the deposits to buy securities as requested by the clients. In case, the Company fails to fulfil its obligation within the contracted term, it has to refund the deposit plus interest premium as stated in the agreement.

22. PAYABLES TO SECURITIES TRADING ACTIVITIES

	31 December 2012 VND	31 December 2011 VND
Payable to Ho Chi Minh City Stock Exchange	239,504,169,800	21,916,153,444
Securities trading payables to investors	672,221,482,487	555,811,471,398
- *Deposits for securities trading of investors at head office*	*430,170,380,600*	*415,294,012,656*
- *Deposits for securities trading of investors at Hanoi branch*	*144,166,669,044*	*60,188,344,404*
- *Deposits for securities trading of investors at other branches and offices*	*97,884,432,843*	*80,329,114,338*
	911,725,652,287	**577,727,624,842**

23. DIVIDEND AND INTEREST PAYABLES

	31 December 2012 VND	31 December 2011 VND
Dividend and coupon payables to other shareholders	521,820,784	4,045,926,173
Dividends payable to SSI shareholders	3,953,103,066	2,430,992,250
	4,474,923,850	**6,476,918,423**

24. BONUS AND WELFARE FUND

	Year 2012 VND	Year 2011 VND
Opening balance	90,064,800,637	69,431,253,766
Creation of bonus and welfare fund	-	50,701,098,116
Utilization of bonus and welfare fund	(14,999,224,549)	(30,067,551,245)
Ending balance	**75,065,576,088**	**90,064,800,637**

Bonus and welfare fund are mainly utilized for rewarding and paying bonus to the Company's Management and employees, as well as other welfare purposes.

25. FUNDS RECEIVED FROM TRUST INVESTORS

	31 December 2012 VND	31 December 2011 VND
Funds received from trust investment portfolio management contracts (*)	-	122,504,095,276
	-	**122,504,095,276**

(*) All trust management contracts were managed by SSI Asset Management Company Limited, a subsidiary of the Company. In accordance with Circular No.125/2011/TT-BTC dated 05 September 2011 issued by Ministry of Finance providing guidance on accounting applicable for fund management companies, taking effective since 01 January 2012, deposits, securities, investment portfolio and account receivables and payables of trust investors as well as trust capital received will be managed off-balance sheet instead of being recognized on the consolidated balance sheet.

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26. OWNERS' EQUITY

26.1 Changes in Owners' Equity

Movement of the Company's equity for the fiscal year end 31 December 2012 is as follows:

	Chartered capital VND	Share premium VND	Other owners' capital	Treasury shares VND	Financial and statutory reserves VND	Undistributed earnings VND	Total VND
2012 For the period ended 31 December 2012							
As at 1 January 2012	3,526,117,420,000	340,921,476,378	383,614,879	(88,591,286,000)	289,383,181,436	1,012,450,891,924	5,080,665,298,616
Adjustment of Corporate Income Tax due to Tax Finalization for year 2010	-	-	-	-	-	(182,594,264)	(182,594,264)
Dividend payable in accordance with Resolution No. 01/2012/NQ-DHDCD dated 20 April 2012	-	-	-	-	-	(349,564,842,000)	(349,564,842,000)
Purchases of treasury shares	-	-	-	(654,900,000)	-	-	(654,900,000)
Increase in other capital due to associates purchased treasury shares	-	-	(2,989,292,649)	-	-	-	(2,989,292,649)
Profit after tax for the period ended 31 December 2012	-	-	-	-	-	464,299,378,161	464,299,378,161
As at 31 December 2012	**3,526,117,420,000**	**340,921,476,378**	**(2,605,677,770)**	**(89,246,186,000)**	**289,383,181,436**	**1,127,002,833,821**	**5,191,573,047,865**

Ho Chi Minh City Stock Exchange approved SSI to purchase 3,000,000 of its shares in accordance with Official Letter No. 2235/2010/SGDHCM-NY dated 01 December 2010. In addition, according to Official Letter No. 434/2012/SGDHCM-NY dated 14 March 2012, the Ho Chi Minh City Stock Exchange also approved the Company's repurchasing of shares from its employees, together with repurchase of 46,900 shares to correct errors in securities transactions. As at 31 December 2012, total number of treasury shares was 3,046,900 shares.

Movement of the Company's equity for the fiscal year end 31 December 2011 is as follows:

	Owners' equity VND	Share premium VND	Other owners' equity VND	Treasury shares VND	Financial and statutory reserves VND	Undistributed earnings VND	Total VND
For the fiscal year ended 31 December 2011							
As at 01 January 2011	3,511,117,420,000	340,921,476,378	-	(12,365,677,000)	220,524,469,842	1,399,114,338,962	5,459,312,028,182
Capital supplement due to issuance of additional shares	15,000,000,000	-	-	-	-	-	15,000,000,000
Creation of statutory and financial reserve for 2010 according to resolution of Shareholders Meeting	-	-	-	-	68,858,711,594	(68,858,711,594)	-
Creation of welfare fund according to resolution of Shareholders Meeting	-	-	-	-	-	(50,701,098,116)	(50,701,098,116)
Distribution of 10% dividend for 2010 - under Resolution No. 01/2011/NQ-DHDCD dated 28 April 2011	-	-	-	-	-	(348,111,742,000)	(348,111,742,000)
Adjustment of Corporate Income Tax due to Tax Finalization for year 2010	-	-	-	-	-	1,929,271,735	1,929,271,735
Purchases of treasury shares	-	-	-	(76,225,609,000)	-	-	(76,225,609,000)
Tax addition for the year 2010 in accordance with Decision No. 4992/QD-CT of Tax Department	-	-	-	-	-	(50,179,757)	(50,179,757)
Purchases of treasury shares of associates	-	-	383,614,879	-	-	-	383,614,879
Loss after tax for the fiscal year ended 31 December 2011	-	-	-	-	-	79,129,012,745	79,129,012,745
As at 31 December 2011	**3,526,117,420,000**	**340,921,476,378**	**383,614,879**	**(88,591,286,000)**	**289,383,181,436**	**1,012,450,891,924**	**5,080,665,298,616**

26.2 Additional information for Statement of Changes in Owners' Equity

Items	Note
1 - Dividend proposed or announced after the report date but before the issuing date	None
2 - Cumulative unrecorded dividend of preference stocks	None
3 - Incomes and expenses, profit or loss that are recognized directly into Owners' Equity	None

26.3 Treasury shares

	31 December 2012	31 December 2011
Number of shares allowed to issue	**352,611,742**	**352,611,742**
Number of shares issued	**352,611,742**	**352,611,742**
Issued shares whose capital was fully contributed	352,611,742	352,611,742
- *Ordinary shares*	*352,611,742*	*352,611,742*
- *Preference shares*	-	-
Issued shares whose capital was not fully contributed	-	-
- *Ordinary shares*	-	-
- *Preference shares*	-	-
Number of treasury shares	**(3,046,900)**	**(3,000,000)**
Treasury shares held by the Company	(3,046,900)	(3,000,000)
- *Ordinary shares*	*(3,046,900)*	*(3,000,000)*
- *Preference shares*	-	-
Treasury shares held by subsidiaries of the Company	-	-
- *Ordinary shares*	-	-
- *Preference shares*	-	-
Number of shares under circulation	**349,564,842**	**349,611,742**
- *Ordinary shares*	*349,564,842*	*349,611,742*
- *Preference shares*	-	-

27. REVENUE

	Current year (VND)	Previous year (VND)
Revenue from business operations	**849,294,221,184**	**848,048,772,890**
Revenue from brokerage services	105,807,913,215	96,005,005,216
Revenue from securities investments and capital contribution	276,558,485,135	227,702,451,908
- *Dividends*	*65,757,337,279*	*102,012,851,566*
- *Bond coupons*	*72,002,225,568*	*76,681,221,020*
- *Gains from sales of shares and bond*	*85,917,525,175*	*27,069,379,734*
- *Gains from securities portfolio trusted to SSIAM*	*50,465,311,002*	*21,062,545,191*
- *Gains from other investment activities*	*2,416,086,111*	*876,454,397*
Revenue from underwriting services	-	6,420,000,000
Revenue from securities underwriting agency	29,061,000	-
Revenue from investment portfolio management services for trust investors	15,519,110,635	18,328,050,969
Revenue from advisory services	79,784,442,039	38,076,296,310
Revenue from securities custody services	5,191,757,059	2,487,230,802
Revenue from property lease	12,559,455,663	4,478,427,405
Others	353,843,996,437	454,551,310,280
- *Deposit interest*	*297,101,205,062*	*349,915,821,340*
- *Revenue from financing services*	*53,155,079,622*	*76,286,827,390*
- *Others*	*3,587,711,753*	*28,348,661,550*
Deductions	**-**	**(5,850,000)**
Net revenue	**849,294,221,184**	**848,042,922,890**

28. OPERATING EXPENSES

	Current year (VND)	Previous year (VND)
Brokerage and custody expenses	28,851,815,161	27,024,047,794
Securities investment expenses	124,144,793,033	112,128,653,441
Provision expenses/(reversion)	(60,751,580,173)	169,021,552,430
Capital costs	123,110,036,639	96,018,703,656
Investment advisory, financial advisory and other advisory expenses	940,350,000	403,560,250
Other direct expenses for operating activities	238,228,934,381	252,177,221,777
- *Staff costs*	*118,250,738,862*	*112,668,098,962*
- *Office supplies*	*2,762,294,400*	*3,014,796,536*
- *Depreciation and amortization*	*33,254,687,924*	*36,429,144,908*
- *Outsourced services*	*54,439,248,999*	*65,943,561,622*
- *Office rental*	*27,447,845,880*	*32,629,956,289*
- *Other expenses*	*2,074,118,316*	*1,491,663,460*
	454,524,349,041	**656,773,739,348**

29. GENERAL AND ADMINISTRATIVE EXPENSES

	Current year (VND)	Previous year (VND)
Staff costs	9,131,007,751	9,113,451,121
Depreciation and amortization	334,425,000	334,425,000
Provision expense	7,781,367,123	17,936,746,575
Outsourced services	744,832,200	554,236,050
	17,991,632,074	**27,938,858,746**

30. OTHER INCOMES, OTHER EXPENSES

	Current year (VND)	Previous year (VND)
Other incomes		
Gains from asset disposals	1,709,721,479	-
Gains from contract penalties	3,146,645,861	-
Others	222,913,745	553,902,871
	5,079,281,085	**553,902,871**
Other expenses		
Losses from asset disposals	(651,003,553)	-
Others	(7,796,680)	(680,706,469)
	(658,800,233)	**(680,706,469)**
	4,420,480,852	**(126,803,598)**

31. CORPORATE INCOME TAX

Current corporate income tax

The Company is entitled to an exemption from Corporate income tax (CIT) for 2 years from the first year of earning profit and a 50% deduction of CIT for the following 3 years. The Company's first year of earning profit was 2001. The Company is also subject to the CIT rate of 20% for the period of 10 years from 1999, the first year of operation. The year 2009 is the last year the Company enjoys such CIT rate. The CIT rate applicable for following years is 25%,

According to the Official Letter No. 11924/TC-CST dated 20 October 2004 and the Official Letter No. 5428/TC-CST dated 29 April 2005 issued by Ministry of Finance, newly listed companies are entitled to 50% deduction of CIT for 2 years from the first year being listed. The Company has been listed on Hanoi Securities Trading Center (now Hanoi Stock Exchange) since 15 December 2006; accordingly the CIT rate of the Company in 2009 is 20% (2008:10%). Since 2010, the Company's tax rate is 25%.

The Company's tax reports are subject to examination by the tax authorities. As the application of tax laws and regulations to various types of transactions is susceptible to various interpretations, the amounts reported in the financial statements are subjected to later change according to final determination of the tax authorities.

31.1 Current corporate income tax

The current tax liability is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expenses that are taxable or deductible in other years as well as items which are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

The estimated current corporate income tax for the fiscal year end 31 December 2012 and the fiscal year end 31 December 2011 is represented in the table below:

	Current year VND	Previous year VND
Profit/(loss) before tax	**487,258,631,205**	**126,604,379,877**
Adjustments	**(163,143,237,565)**	**(216,926,467,105)**
Adjustments to increase accounting profit	210,987,995,176	82,304,498,347
- *Loss from associates (*)*	-	*36,599,141,321*
- *Provision balance for unlisted shares at the balance sheet date*	*177,751,666,705*	*45,025,264,646*
- *Provision for Vinashin bonds*	*33,000,000,000*	-
- *Non-deductible expenses*	*236,328,471*	*680,092,380*

	Current year VND	Previous year VND
Adjustments to decrease accounting profit	(374,131,232,741)	(299,230,965,451)
- *Profit from subsidiaries*	*(19,707,573,843)*	*(17,488,856,427)*
- *Profit from associates (*)*	*(106,059,910,284)*	-
- *Income from CIT exempted activities – Dividends*	*(65,072,337,279)*	*(100,209,611,566)*
- *Reversion of provision expenses for unlisted shares in the previous year*	*(45,025,264,646)*	*(20,109,396,533)*
- *Reversion of provision expenses of associates*	*71,892,050,758*	*(160,611,417,925)*
- *Loss carried forward from previous year*	*(90,322,087,228)*	-
- *Cancellation of the loss of securities trading of associates in the separate financial statements*	*(119,836,110,219)*	-
- *Severance benefit expenses created before 2008, taxable in the current year*	-	*(811,683,000)*
Estimated current taxable income	**324,115,393,640**	**(90,322,087,228)**
- Estimated CIT expenses of the parent company	81,028,848,410	-
- Estimated CIT expenses of the subsidiaries	*1,535,033,752*	*3,937,863,518*
Current CIT payable	**82,563,882,162**	**3,937,863,518**
Opening CIT Payables	**(3,347,725,304)**	**17,494,080,073**
CIT Adjustment due to CIT Finalization	182,594,264	(1,929,271,735)
Tax addition for the year 2010 in accordance with Decision No. 4992/QD-CT of Tax Department	-	50,179,757
CIT paid in the period	(70,752,205,322)	(22,900,576,918)
Ending CIT payables	**8,646,545,800**	**(3,347,725,304)**

(*): Accounted for using equity method (exclusive of actual profit receipts).

Tax losses carried forward

The Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the end of the fiscal year 2011, the Company had a tax loss amounting to VND 90,322,087,228 available for offset against future taxable profits. Details are as follows:

Originating year	Can be carried to	Tax loss amount (*) VND	Utilized up to 31/12/2012 VND	Unutilized at 31/12/2012 VND
2011	2016	**(90,322,087,228)**	**(90,322,087,228)**	-
Total		**(90,322,087,228)**	**(90,322,087,228)**	-

(*) Estimated tax loss for the fiscal year ended 31 December 2011 has not been settled by the local tax authorities at the balance sheet date.

31.2 Deferred corporate income tax

Deferred income tax asset

Movement of deferred tax asset for the fiscal year ended 31 December 2012 is presented below:

	Current year VND	Previous year VND
Deferred income tax asset		
Beginning balance	8,330,545,610	5,532,841,362
Increase during the period	47,357,996,065	(202,920,750)
Deferred corporate income tax of subsidiaries	(3,000,624,998)	3,000,624,998
Ending balance	**52,687,916,677**	**8,330,545,610**

Deferred income tax liability

Movement of deferred tax liability in 2012 is presented below:

	Current year VND	Previous year VND
Deferred income tax liability		
Beginning balance	43,592,871,995	881,886,941
Tax on profit of subsidiaries	1,410,687,832	2,690,898,407
Tax on reversal of provision of associates	(17,851,005,451)	40,020,086,647
Ending balance	**27,152,554,376**	**43,592,871,995**

Deferred corporate income tax expense/(income)

The Company has recognized deferred income tax expense/(income) to the consolidated income statement for the fiscal year ended 31 December 2012 and 31 December 2011 as follows:

	Current year VND	Previous year VND
Tax on unrealized gain of SSI Investment Member Fund	1,410,687,768	2,690,898,407
Tax on reversion of provision for investments in associates for consolidation purpose	(17,851,005,451)	40,020,086,647
Tax on increase/decrease of provision expense for unlisted securities which is non-deductible	(36,409,942,544)	(3,000,625,000)
Tax on increase of provision expense for Vinashin bonds	(8,250,000,000)	-
Deferred tax refund on the severance allowance for the year 2008	302,571,479	202,920,750
	(60,797,688,748)	**39,913,280,804**

Deferred income tax asset related to provision of unlisted securities as at 31 December 2012 will be taxed in subsequent years at 2012's tax rate of 25%.

The Company did not accrue deferred tax asset arising from provisions of unlisted shares as at 31 December 2011 because the operating result for the fiscal year ended 31 December 2011 was negative and by that time, the Company was not certain on its ability to make enough future taxable profit to realise such deferred tax asset. As at 31 December 2012, deferred tax asset on the provisions has been fully calculated and recognised.

32. NON-CONTROLLING INTERESTS

	Current year VND	Previous year VND
Opening balance	76,506,109,799	72,881,886,941
Additional capital contribution of non-controlling shareholders during the period	6,000,000,000	-
Share of current year's profit	1,193,059,630	3,624,222,858
Ending balance	**83,699,169,429**	**76,506,109,799**

33. TRANSACTIONS WITH RELATED PARTIES

List of related parties and their connections with Saigon Securities Incorporation is presented below:

Related party	Relationship
SSI Vision Fund	Associate
NDH Viet Nam Limited Company	The owner of company is a related party
SSI Real Estates Joint stock	The owner of company is a related party
NDH Vietnam Investment and Advisory Ltd. Company	The owner of company is a related party
Pan Pacific Corporation	The owner of company is a related party; Associate
ANZ Bank	Strategic shareholder
Daiwa Securities Group Inc	Strategic shareholder
Ben Tre Aquaproduct Import and Export JSC	Associate
Hung Vuong Corporation	Associate
Binh Thanh Import-Export Production and Trade Joint Stock Company	Associate
National Seed Joint Stock Company	Associate
Southern Seed Joint Stock Company	Associate
Electronics Communications Technology Investment Development Joint Stock Company	Associate
Transimex – Saigon Corporation	Associate
Long An Food Processing Export Joint Stock Company	Associate

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Balances and significant transactions with related parties as at 31 December 2012 and during the fiscal year then ended are as follows:

Related party	Transaction	Receivable/(Payable)				Revenue/ (Expense) VND
		Opening balance VND	Increase VND	Decrease VND	Ending balance VND	
The owner of company is a related party	Capital contribution	14,999,990,000	-	-	14,999,990,000	-
	Securities trading service fee	-	137,745,401	(137,745,401)	-	137,745,401
	Principal payables under business cooperation contracts	(90,659,184,768)	(565,676,067,951)	620,561,198,318	(35,774,054,401)	-
	Interest expense from business cooperation contracts	(268,308,139)	(3,480,859,804)	3,316,848,347	(432,319,596)	(3,480,859,804)
	Principal receivables under business cooperation contracts	-	20,000,000,000	(20,000,000,000)	-	
	Interest income from business cooperation contracts	-	96,805,556	(96,805,556)	-	96,805,556
	Deposit receivables under bond brokerage contracts	-	503,600,000,000	(231,500,000,000)	272,100,000,000	-
	Deposit payables under bond brokerage contracts	-	(36,730,000,000)	36,730,000,000	-	
	Dividend payables	-	(28,705,036,000)	28,705,036,000	-	-
	Dividend receivables		2,249,998,500	(2,249,998,500)		2,249,998,500
	Office rental	-	(12,858,675,088)	12,858,675,088	-	(12,858,675,088)
	Interest payables from bond brokerage	-	(826,443,973)	826,443,973	-	(826,443,973)
	Advisory fee on bond brokerage	-	5,000,000,000	(5,000,000,000)	-	5,000,000,000
Strategic shareholders	Dividend paid in cash	-	(97,405,840,000)	97,405,840,000	-	(97,405,840,000)
	Deposits of investors	531,443,562	9,548,460,448	(9,624,588,049)	455,315,961	-
	Demand deposit of companies	2,315,082,477	20,605,603,645	(22,556,095,697)	364,590,425	-
Associates	Brokerage fee	-	2,093,037,589	(2,093,037,589)	-	2,093,037,589
	Capital contribution by the equity method	1,062,004,865,057	587,034,791,806	(589,213,118,874)	1,059,826,537,989	-
	Transaction fee, advance to share sales	-	2,015,569,107	(2,015,569,107)	-	2,015,569,107
	Principal receivables under business cooperation contracts	7,153,858,819	185,113,522,543	(192,267,381,362)	-	-
	Interest income under business cooperation contracts	5,811,934	139,562,647	(145,374,581)	-	139,562,647
	Principal payables under business cooperation contracts	-	(17,851,954,522)	17,851,954,522	-	
	Deposits made under bond brokerage contracts	-	200,000,000,000	(200,000,000,000)	-	-
	Advisory fee on bond brokerage	-	5,637,500,000	(5,637,500,000)	-	5,637,500,000
	Advance for securities purchase	(50,100,000,000)	(30,000,000,000)	-	(80,100,000,000)	-
	Warehouse rental and service fee	(36,036,154)	(1,207,128,334)	1,243,164,488	-	(1,207,128,334)
Other related parties	Business cooperation	-	(4,159,608,733)	4,159,608,733	-	-

Transactions with other related parties

Total remuneration of members of Board of Directors and Board of Management for the year 2012 is VND 11,264,602,412 (inclusive of personal income tax and compulsory insurance).

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34. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss after tax attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The Company does not calculate and present diluted earnings per share due to unavailability of relevant guidance issued by Ministry of Finance or scarcity of necessary information in the active market.

The Company used the below information for calculation of basic earnings per share:

	Current year	Previous year
Profit or loss after tax attributable to ordinary shareholders – VND	464,299,378,161	79,129,012,745
Weighted average of the number of ordinary share	349,577,749	348,408,905
Basic earnings per share – VND	1,328	227

35. SEGMENT INFORMATION

	Brokerage and customer services VND	Trading activities VND	Treasury activities VND	Fund management VND	Investment banking and others VND	Total VND
For the fiscal year ended 31 December 2012						
1. Gross revenue	164,154,991,580	382,618,395,422	300,688,675,131	15,519,110,635	92,372,958,700	955,354,131,468
2. Direct expenses	(40,894,867,665)	(65,313,033,374)	(123,527,970,558)	(1,701,901,014)	(3,238,207,851)	(234,675,980,462)
3. Depreciation and allocated expenses	(134,904,542,504)	(25,503,458,428)	(14,103,345,699)	(26,721,731,831)	(32,186,441,339)	(233,419,519,801)
Profit before tax	**(11,644,418,589)**	**291,801,903,620**	**163,057,358,874**	**(12,904,522,210)**	**56,948,309,510**	**487,258,631,205**
As at 31 December 2012						
1. Direct segment assets	1,100,542,097,507	3,376,438,689,607	3,115,915,100,484	96,212,138	34,270,419,489	7,627,262,519,225
2. Allocated segment assets	114,739,436,598	14,805,088,593	3,084,393,457	17,272,603,359	17,889,482,050	167,791,004,057
3. Unallocated assets	-	-	-		-	185,822,378,593
Total asset	**1,215,281,534,105**	**3,391,243,778,200**	**3,118,999,493,941**	**17,368,815,497**	**52,159,901,539**	**7,980,875,901,875**
1. Direct segment liabilities	916,136,808,643	104,175,484,894	1,542,493,649,377	-	6,864,194,257	2,569,670,137,171
2. Allocated segment liabilities	51,367,903,161	6,628,116,537	1,380,857,612	7,732,802,626	8,008,974,149	75,118,654,085
3. Unallocated liabilities	-	-	-	-	-	60,814,893,365
Total liabilities	**967,504,711,804**	**110,803,601,431**	**1,543,874,506,989**	**7,732,802,626**	**14,873,168,406**	**2,705,603,684,621**

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36. COMMITMENTS AND CONTINGENCIES

36.1 Operating lease commitment

The Company leases office under operating lease arrangements. Rentals are determined on basis of contracted price effective on 31 December 2012. As at 31 December 2012, the rental payable under the operating lease agreements is as follows:

	31 December 2012 VND	31 December 2011 VND
Less than 1 year	23,197,788,906	24,863,298,120
From 1 - 5 years	50,011,018,221	63,931,012,480
More than 5 years	-	-

36.2 Margin service

The Company's commitment to provide funds under outstanding margin contracts as at 31 December 2012 and 31 December 2011 are as follows:

Branch	31 December 2012 VND	31 December 2011 VND
Head office (Ho Chi Minh City)	12,098,963,670	2,466,749,515
Hanoi	8,338,774,355	4,524,849,695
Hai Phong	831,983,430	135,861,803
Nguyen Cong Tru	2,595,861,130	270,225,814
Nha Trang	278,041,702	69,622,417
Vung Tau	204,588,404	30,565,645
Quang Ninh	-	55,284,865
My Dinh	347,365,970	151,880,195
	24,695,578,661	**7,705,039,949**

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings, payables to suppliers and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has cooperation contracts, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company also holds short-term and available-for-sale investments. The Company does not hold or issue derivative financial instruments.

The Company is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to maintain an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for monitoring each of the risks associated with business activities which are summarized below.

37.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, short-term and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2012 and 31 December 2011.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, the Management assumed that the sensitivity of the balance sheet relates to available-for-sale debt instruments; the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks based on the financial assets and financial liabilities held by the Company and its subsidiaries at 31 December 2012 and 31 December 2011.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cooperation contracts, trade and other receivables, cash and short-term deposits and financial loans and borrowings. These investments are mainly short term in nature and they are not held for speculative purposes. Financial liabilities have fixed interest rates.

The Company manages interest rate risk by looking at the competitive structure of the market to identify a proper interest rate policy which is favorable for its purposes within its risk management limits.

Interest rate sensitivity

No analysis on interest sensitivity was performed for the fiscal year ended 31 December 2012 since a significant portion of borrowings had fixed interest rate during that period.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in which revenue or expense is denominated in a different currency from the Company's accounting currency.

Foreign currency sensitivity

At the reporting date, SSI International Corporation possessed USD 5,064,383.83, equivalent to VND 105,389,827,502. The 10% increase (or decrease) of the interbank exchange rate possibly results in an increase (or decrease) of VND 10,538,982,750 in the Company's profit.

The Company also held USD 51,155, equivalent to VND 1,065,450,092, of some foreign investors. This amount is classified in Other short-term payables on the consolidated balance sheet. The increase (or decrease) at 10% of the exchange rate may result in a decrease (or increase) of VND 106,545,009 in the Company's total assets and liabilities. Its profit is not affected.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities.

At the reporting date, the fair value of listed shares is VND 557,376,403,902 (at 31 December 2011: VND 793,579,840,028). The 10% increase (or decrease) of market index possibly results in a respective increase (or decrease) of the Company's investment income, depending on its magnitude and length as well as the Company's ownership position of securities which have significant influence on market index.

37.2 Commodity price risk

The Company is not exposed to commodity price risk.

37.3 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Investment in debt securities

Credit risk associated with investment in debt securities are managed by the Company based on its policy, procedure and control steps over securities investments. At each of reporting date, the Company assesses its exposure to credit risk related to investments in debt securities basing on market information and recoverability of the investments.

Trade receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. Due to the fact that the Company's receivables relate to a large number of diversified customers and corresponding collateral assets, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's accounting and treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting date is the book value. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

37.4 Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents deemed adequate by the Management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

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The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 – 12 months	1 – 5 years	Total
As at 31 December 2012					
Loans and borrowing	267,728,021,077	90,000,000,000	-	-	357,728,021,077
Payables relating to securities trading activities	672,221,482,487	239,504,169,800	-	-	911,725,652,287
Accrued expenses	562,422,714	8,131,136,939	490,230,900	-	9,183,790,553
Other payables	4,624,449,596	1,185,163,653,511	-	-	1,189,788,103,107
	945,136,375,874	**1,522,798,960,250**	**490,230,900**	**-**	**2,468,425,567,024**
As at 31 December 2011					
Loans and borrowing	-	-	-	-	-
Payables relating to securities trading activities	555,811,471,398	21,916,153,444	-	-	577,727,624,842
Accrued expenses	3,501,916,461	2,515,367,192	165,039,900	-	6,182,323,553
Other payables	220,047,509,259	196,631,809,105	-	-	416,679,318,364
	779,360,897,118	**221,063,329,741**	**165,039,900**	**-**	**1,000,589,266,759**

The Company assessed the concentration of risk with respect to refinancing its debt, payables regarding securities trading activities are investors' deposits which are monitored separately from the Company's deposits and for which the Company always maintains an available cash balance at banks.

37.5 Collaterals

At the reporting date, the Company was participating in repurchase agreements with 9-month term to maturity. The contractual underlying assets were bonds issued by credit institutions with total book value of VND 20,132,645,562. Total aggregated selling price was VND 16,000,000,000 and corresponding repurchase price was VND 16,380,200,000.

The Company also held shares as collaterals for customer receivables as at 31 December 2012 and 31 December 2011.

38. ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES UNDER CIRCULAR NO. 210/2009/TT-BTC

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 1 January 2011. Circular 210 provides definitions of financial instruments, including financial assets and financial liabilities; derivative financial instruments and equity instruments as well as the classification, presentation and disclosures of these instruments.

The Circular 210 only regulates the presentation of financial statements and disclosures of financial instruments, therefore, the following definitions of financial assets, financial liabilities and other relating definitions are applied solely for the preparation of this Note. The Company's assets and liabilities are still recognized and recorded in accordance with Vietnamese Accounting Standards and System applicable to securities companies, the accounting policies applicable to the securities company as prescribed in Circular No. 95/2008/TT-BTC dated October 24, 2008 and Circular No. 162/2010/TT-BTC dated 20 October 2010 issued by Ministry of Finance and comply with relevant statutory requirements.

Financial assets

In accordance with the Circular 210/2009/TT-BTC, financial assets of the Company and its subsidiaries include cash, deposits at credit institutions, trading securities, investment securities, receivables and underlying assets under monetary derivative contracts.

Financial assets within the scope of Circular 210 are classified, for disclosures in the notes to the consolidated financial statements, are classified into either of the followings:

► ***Financial asset at fair value through profit or loss***

Financial asset at fair value through profit and loss is a financial asset that meets either of the following conditions:

a) It is classified as held for trading. A financial asset is classified as held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- there is evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except derivative that is a financial guarantee contract or an effective hedging instrument).

b) Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

► ***Held-to-maturity investments***

Held to maturity investments are non-derivative financial assets with determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

a) Those that the entity upon initial recognition designates as at fair value through profit or loss;
b) Those that the entity designates as available for sale; and
c) Those meet the definition of loans and receivables.

► ***Receivalbes***

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

a) Those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
b) Those that the entity upon initial recognition designates as available for sale; or
c) Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

► ***Available-for-sale financial assets***

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as:

a) Loans and receivables;
b) Held-to-maturity investments; and
c) Financial assets at fair value through profit or loss.

Financial liabilities

According to the Circular No 210/2009/TT-BTC, financial liabilities of the Company includes borrowings, payables and payables under monetary derivative contracts.

Financial liabilities within the scope of Circular 210/2009/TT-BTC are classified, for disclosures in the notes to the consolidated financial statements, are classified into either of the followings:

► ***Financial liability at fair value through profit or loss:***

Financial liability at fair value through profit and loss is a financial liability that meets either of the following conditions:

a) It is classified as held for trading. A financial liability is classified as held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).

b) Upon initial recognition, it is designated by the Company as at fair value through profit or loss.

► ***Financial liabilities at amortized cost***

Financial liabilities that are not classified as at fair value through profit or loss are classified as at amortized cost.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The Company uses the followings assumptions to determine the fair value:

► Fair value of cash and short-term deposits, customer receivables, payables to suppliers and other short-term debts will be approximate to the book value of those items due to their short-term nature.
► Fair value of receivables is valuated on basis of market situation and customers' possibility to fulfill their obligation. Basing on the valuation, the Company estimates provision for the part of receivable which is subject to default risk. As at 31 December 2012, book value of receivables less provision is not materially different from fair value.
► Fair value of listed securities is determined based on quoted prices, if available, on active trading market.
► Value of unlisted securities is determined based on price quotations or net asset value/book value of issuers, quotations on investment journals. In case, price quotations from reliable and prestigious sources are not available, fair value will be stated at book value.

Set out below is a comparison of book value and fair value of the Company's financial instruments as presented in the financial statements:

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Currency: VND

	Book value				Fair value	
	As at 31 December 2012		As at 31 December 2011			
	Cost	Provision	Cost	Provision	31 December 2012	31 December 2011
Financial assets						
Financial assets at fair value through profit and loss	2,292,163,797,758	(194,353,925,227)	1,053,037,748,335	(303,123,545,515)	2,118,646,503,055	765,200,929,998
- *Trading securities*	*589,163,797,758*	*(194,353,925,227)*	*1,052,561,099,307*	*(303,123,545,515)*	*415,646,503,055*	*764,724,280,970*
Listed shares	477,229,343,888	(147,309,314,209)	873,223,160,334	(292,141,620,515)	350,756,660,202	596,368,266,997
Unlisted shares	99,434,453,871	(47,044,611,018)	93,173,000,000	(10,981,925,000)	52,389,842,853	82,191,075,000
Bonds (*)	12,500,000,000	-	86,164,938,973	-	12,500,000,000	86,164,938,973
- *Held-to-maturity investments*	*1,703,000,000,000*	-	*476,649,028*	-	*1,703,000,000,000*	*476,649,028*
Term deposits	1,703,000,000,000	-	476,649,028	-	1,703,000,000,000	476,649,028
Other short-term investments	-	-	-	-	-	-
Customer receivables and other receivables	846,688,657,747	(66,184,835,634)	413,336,477,680	(17,936,746,575)	780,503,822,113	395,399,731,105
Available-for-sale financial assets	1,056,730,351,972	(82,059,042,586)	1,128,856,979,464	(166,853,124,408)	978,312,318,590	965,167,175,937
- *Available-for-sale investments*	*1,056,730,351,972*	*(82,059,042,586)*	*1,128,856,979,464*	*(166,853,124,408)*	*978,312,318,590*	*965,167,175,937*
Listed shares	258,115,910,455	(53,348,175,958)	346,141,584,971	(133,643,284,762)	206,619,743,701	215,661,621,090
Unlisted shares	131,989,207,174	(28,710,866,628)	87,791,294,397	(14,220,179,920)	105,067,340,546	73,571,114,477
Bonds	666,625,234,343	-	694,924,100,096	(18,989,659,726)	666,625,234,343	675,934,440,370
Other long-term investments	548,616,990,000	(93,178,900,000)	749,788,390,000	(833,500,000)	455,438,090,000	748,954,890,000
Cash and cash equivalents	1,947,090,450,986	-	1,945,764,811,547	-	1,947,090,450,986	1,945,764,811,547
Total	**6,691,290,248,463**	**(435,776,703,447)**	**5,290,784,407,026**	**(488,746,916,498)**	**6,279,991,184,744**	**4,820,487,538,587**
Financial liabilities (*)						
Loans and borrowings	357,728,021,077	-	-	-	357,728,021,077	-
Payables to securities trading activities	911,725,652,287	-	577,727,624,842	-	911,725,652,287	577,727,624,842
Payable to securities issuers	605,427,160	-	605,427,160	-	605,427,160	605,427,160
Accrued expense	9,183,790,553	-	6,182,323,553	-	9,183,790,553	6,182,323,553
Fund received from trust investors	-	-	122,504,095,276	-	-	122,504,095,276
Other payables	1,195,006,742,142	-	423,733,327,972	-	1,195,006,742,142	423,733,327,972
Total	**2,474,249,633,219**	**-**	**1,130,752,798,803**	**-**	**2,474,249,633,219**	**1,130,752,798,803**

(*) Fair value of these items is stated as book value since available information is insufficient to determine the fair value.

39. EVENT AFTER THE BALANCE SHEET DATE

On 31 January 2013, the Company completed the employee stock ownership plan in order to increase its chartered capital to VND 3,537,949,420,000 (three thousand five hundred and thirty seven billion nine hundred and forty nine million four hundred and twenty thousand dong). The Company has fulfilled necessary procedures to increase its chartered capital and been granted the Amended Business License No.09/GPDC-UBCK dated 01 March 2013 by Chairman of the State Securities Commission and effective since 01 March 2013.

Preparer	Approver	Approver
Ms. Hoang Thi Minh Thuy Chief Accountant	Ms. Nguyen Thi Thanh Ha Chief Financial Officer	Mr. Nguyen Duy Hung Chief Executive Officer

Ho Chi Minh City, Vietnam
22 March 2013

COMMENTS OF INTERNAL AUDIT

General comments:

SSI 2012 Financial Report has provided a truthful and fair view of the Company financial position as of 31 December 2012 including P&L performance and cash flows. The report is in compliance with the relevant regulations. SSI has achieved liquidity ratio and financial safety ratio in accordance with regulations set forth by the Ministry of Finance. Besides, all the accounting errors have been timely fixed in accordance with the recommendations by the internal audit department.

On behalf of Internal Audit
Director

Tran Duong Anh Viet



OTHER DATA



SHAREHOLDER INFORMATION AND MANAGMENT LEVEL

Board of Directors/Supervisory Board

- Details of members and structure of Board of Directors (BOD) and Board of Supervisory (BOS) are presented in section "Organizational Structure".
- Members of BOD, BOS, Board of Management (BOM) and employees with a corporate governance certificate:

No.	Name	Position	Certificate No.	Date of issuance
1	Nguyen Duy Hung	Chairman cum CEO	36 QTCT 21/QĐ-TTNC	12/11/2009
2	Nguyen Hong Nam	Deputy CEO	22 QTCT 122/QĐ-TTNC	29/01/2010
3	Ngo Van Diem	Member of BOD	10 QTCT 53/QĐ-TTNC	07/05/2009
4	Bui Quang Nghiem	Member of BOD	29 QTCT 158/QĐ-TTNC	08/09/2009
5	Nguyen Van Khai	Head of BOS	22 QTCT 123/QĐ-TTNC	29/01/2010
6	Ho Thi Huong Tra	Member of BOS	18 QTCT 17/QĐ-TTNC	20/01/2010
7	Nguyen Thi Thanh Ha	CFO	38 QTCT 21/QĐ-TTNC	12/11/2009
8	Nguyen Kim Long	Director of Legal & Internal Audit	31 QTCT 96/QĐ-TTNC	30/06/2009
9	Hoang Thi Minh Thuy	Chief Accountant	61 QTCT 96/QĐ-TTNC	30/06/2009
10	Tran Thi Thuy	Director of Hanoi Branch	37 QTCT 21/QĐ-TTNC	12/11/2009

Shareholder Information

The stocks of Saigon Securities Inc. are listed on the Ho Chi Minh Stock Exchange with the ticker SSI and are centrally deposited at the Vietnam Securities Depository – Ho Chi Minh City branch.

Stock Information: As of 31/12/2012, the Charter Capital of SSI stood at VND 3,526,117,420,000 and divided into 352,611,742 common shares with the par value of VND 10,000 each. The Company did not issue any other but common shares.

Treasury share transactions in 2012: The number of treasury shares as of 31/12/2012 stood at 3,046,900, an increase of 46,900 shares from 2011 due to repurchased of shares that were previously issued following Right Option to employees who stopped working at SSI or correction transactions. In details:

- On 09 April 2012: purchase 30,000 shares at VND 10,000/share
- On 16 April 2012:purchase 16,900 stocks subsequent to a correction

Shareholder structure: The shareholder structure and percentage of ownership of internal shareholders are presented in Appendix 2 of this Annual Report. The information was updated in accordance with the final list of shareholding provided by the Vietnam Securities Depository as of 23/11/2012.

Appendix 1: Transactions to and from internal and major shareholders, and related parties

Share trading:

No	Internal/Major Shareholders	Relationship	No. of shares owned at the beginning of the year		No. of shares owned at the end of the year		Lý do tăng, giảm (mua, bán, chuyển đổi, thưởng...)	Tỷ lệ (*)	Reasons for increase/ decrease in shareholding (buy, sell, conversion, bonus ...)
			Số cổ phiếu	Tỷ lệ	Số cổ phiếu	Tỷ lệ			
1	Bui Quang Nghiem	BOD member	177,920	0.05%	227,920	0.06%			Register to buy 60,000 listed stocks from 07/02/2012 to 06/3/2012 Report on 12/3/2012
2	Ho Thi Huong Tra	BOS member	20,168	0.006%	10,168	0.003%			Register to sell 10,000 stocks from 30/8/2012 to 29/9/2012 Report on 02/10/2012

Other transactions: (from and to internal and major shareholders, and related parties)
Transactions with related parties in 2012

Related parties	Relationship
SSI Vision Fund	Affiliated company
SSI Member Fund	80% subsidiary
NDH Media Ltd. Company	SSI's chairman is also the shareholder of the Company
NDH Vietnam Single-member Limited Liability Company	SSI's chairman is also the shareholder of the Company
SSI Asset Management Co. Ltd.	100% subsidiary
SSI Real Estates Joint Stock Company	Invested by SSI, its Chairman and the younger brother of SSI's Chairman
ANZ Bank	Strategic Partner
Daiwa Securities Group Inc.	Strategic Partner
Pan Pacific Corp.	The company's CEO is the Head of Supervisory Board of SSI

Receivables

Related parties	At the beginning of the year	Increase	Decrease	At the end of the year
SSI Vision Fund				
Stock transaction fees	-	2,093,037,589	2,093,037,589	-
SSI Member Investment Fund				
Investment	288,000,000,000	24,000,000,000	-	312,000,000,000
SSI Real Estates Joint Stock Company				
Investment	14,999,990,000	-	-	4,999,990,000
Stock transaction fees		89,859,833	89,859,833	-
Business cooperation investment		20,000,000,000	20,000,000,000	-
Business cooperation interest		96,805,556	96,805,556	-
Brokerage deposit for bond transaction		503,600,000,000	231,500,000,000	272,100,000,000
Dividends of SSI's real estate		2,249,998,500	2,249,998,500	-
Fees for house lease		11,963,789,338	11,963,789,338	-
NDH Vietnam Single-member Limited Liability Company				
Stock transaction fees		47,885,568	47,885,568	-
Brokerage fee for bond transaction		5,000,000,000	5,000,000,000	-
Pan Pacific Corp.				
Stock transaction fees		770,228,350	770,228,350	-
Advanced stock withdraw fee		44,238,374	44,238,374	-
Business cooperation amount		21,500,000,000	21,500,000,000	-
Business cooperation interest		44,015,152	44,015,152	-
Received dividends		1,493,280,000	1,493,280,000	-
Brokerage deposit for bond transaction		200,000,000,000	200,000,000,000	-
Advisory fees for bond transaction		5,150,000,000	5,150,000,000	-
Brokerage fees for selling bond		487,500,000	487,500,000	-
SSI Asset Management Ltd. Company				
Investment	30,000,000,000	-	-	30,000,000,000
Portfolio management fees	1,451,417,818,541	137,208,684,928	40,000,000,000	1,548,626,503,469
ANZ Bank				
Investors' deposits	531,443,562	9,48,460,448	9,624,588,049	455,315,961

Payables

Affiliated companies	In the year beginning	Increase	Decrease	In the year end
SSI Real Estates Joint Stock Company				
Business cooperation amount	61,205,780,079	564,793,883,211	590,744,193,267	35,255,470,023
Business cooperation interest	180,579,666	2,928,656,718	2,680,207,211	429,029,173
Brokerage deposit for bond transaction		36,730,000,000	36,730,000,000	-
Brokerage deposit interest		826,443,973	826,443,973	-
NDH Vietnam Single-member Limited Liability Company				
Dividends paid in cash		28,705,036,000	28,705,036,000	-
Business cooperation amount	29,453,404,689	354,600,362	29,808,005,051	-
Business cooperation interest	87,728,473	501,291,551	589,020,024	-
Pan Pacific Corp.				
Business cooperation amount	37,731,245,000	23,809,869,210	61,541,114,210	-
Business cooperation interest	367,211,321	890,996,738	1,258,208,059	-
Advanced stock withdraw fee	50,100,000,000	-	-	50,100,000,000
Fees for warehouse rent and services	36,036,154	1,207,128,334	1,243,164,488	-
SSI Asset Management Ltd. Company				
Portfolio management fees	(1.595.974.804)	14.131.260.217	11.225.659.629	1.309.625.784
NDH Media Ltd. Company				
Business cooperation amount		527,584,378	9,000,000	518,584,378
Business cooperation interest		50,911,535	47,621,112	3,290,423
ANZ Bank				
Dividends paid in cash		61,934,420,000	61,934,420,000	-
Daiwa Securities Group Inc				
Dividends paid in cash		35,471,420,000	35,471,420,000	-
Business cooperation amount		4,110,287,133	4,110,287,133	-
Business cooperation interest		49,321,600	49,321,600	-

Appendix 2: Shareholder structure and percentage ownership as at 31/12/2012

(Updated in accordance with the list of shareholders finalized by the Vietnam Securities Depository as of 23/11/2012 in order to pay 2011 dividends)

Items	Local shareholders		Foreign shareholders		Total	
	Value	Percentage (%)	Value	Percentage(%)	Value	Percentage(%)
Total Chartered Capital	**1,798,573,700,000**	**51.01%**	**1,727,543,720,000**	**48.99%**	**3,526,117,420,000**	**100.00%**
The State	-	-	-	-	-	-
Founding shareholders	-	-	-	-	-	-
Major shareholders (≥ 5%ownership)	287,050,360,000	8.14%	974,058,400,000	27.63%	1,261,108,760,000	35.77%
Shareholders (from 1% to < 5% ownership)	319,344,280,000	9.06%	179,577,100,000	5.09%	498,921,380,000	14.15%
Shareholders (<1%ownership)	1,161,710,060,000	32.95%	573,908,220,000	16.28%	1,766,087,280,000	49.22%
Labor Union	-	-	-	-	-	-
Treasury shares	30.469.000.000	0.86%	-	-	30.469.000.000	0.86%

Catagorized by types of ownership

No	Items	Restricted transfering	Non-restricted transfering	Total	Percentage of Ownership
I.	**Special shareholders**	**317,000**	**16,047,108**	**16,364,108**	**4.64%**
1.	Board of Directors	266,000	15,935,888	16,201,888	4.59%
	In which - Foreign	-	-	-	-
	- Local	266,000	15,935,888	16,201,888	4.59%
2.	Board of Management	-	-	-	-
3.	Board of Supervisory	31,000	111,020	142,020	0.04%
4.	Chief Accountant	20,000	200	20,200	0.01%
5.	Spokeman				
II.	**Treasury shares**	**30,000**	**3,016,900**	**3,046,900**	**0.86%**
III.	**Labor Union**	**-**	**-**	**-**	**-**
IV.	**Other shareholders**	**1,153,000**	**332,047,734**	**333,200,734**	**94.50%**
1.	***Local***	***1,143,000***	***159,303,362***	***160,446,362***	***45.50%***
1.1.	Individuals	1,143,000	114,789,166	115,932,166	32.88%
1.2.	Institutions	-	44,514,196	44,514,196	12.62%
2.	***Foreign***	***10,000***	***172,744,372***	***172,754,372***	***49.00%***
2.1	Individuals	10,000	10,655,572	10,665,572	3.03%
2.2	Institutions	-	162,088,800	162,088,800	45.97%
	Total	**1,500,000**	**351,111,742**	**352,611,742**	**100.00%**

Percentage of shareholding of major and internal shareholders as at 31/12/2012

No	Name	Position/Relationship	No. of shares holding (on 31/12/2012)	Ownership percentage (calculated on chartered capital of VND 3.526.117.420.000)
1	Australia and New Zealand Banking Group	Major shareholder	61,934,420	17.564%
2	Daiwa Securities Group Inc.	Major shareholder	35,471,420	10.060%
3	NDH Vietnam Single-member Limited Liability Company	Major shareholder	28,705,036	8.141%
4	Nguyen Duy Hung	Chairman cum CEO	186,000	0.053%
5	Nguyen Hong Nam	BOD Member cum Deputy CEO	15,747,968	4.466%
6	Ngo Van Diem	BOD Member	40,000	0.011%
7	Bui Quang Nghiem	BOD Member	227,920	0.065%
8	Alistair Marshall Bulloch	BOD Member	0	0.000%
9	Masami Tada	BOD Member	0	0.000%
10	Dam Bich Thuy	BOD Member	0	0.000%
11	Nguyen Van Khai	Head of BOS	115,012	0.033%
12	Ho Thi Huong Tra	BOS Member	10,168	0.003%
13	Dang Phong Luu	BOS Member	16,840	0.005%
14	Hoang Thi Minh Thuy	Chief Accountant	20,200	0.006%
15	Nguyen Thi Thanh Ha	Chief Financial Officer	25,000	0.007%

The above data is based on:

i. List of Saigon Securities Inc. shareholders finalized by the Vietnam Securities Depository as at 23/11/2012to pay 2011 dividends;

ii. Disclosure of transaction information of major shareholders and internal shareholders (if any).

CORPORATE INFORMATION

CORPORATE INFORMATION	
Company name:	Saigon Securities Inc (SSI)
Legal representative:	Mr. Nguyen Duy Hung - Chairman cum CEO
Date of incorporation:	30/12/1999
Chartered capital (as at 31/12/2012):	VND 3,526,117,420,000
Head office:	72 Nguyen Hue, Ben Nghe, District 1, Ho Chi Minh City
No. of employees (as at 31/12/2012):	398 including 126 employees who are fully certified for securities license

SHARE INFORMATION	
No. of common shares outstanding (as at 31/12/2012):	352,611,742
No. of treasury shares(as at31/12/2012):	3,046,900
Exchange:	Ho Chi Minh City Stock Exchange (HOSE)
Ticker:	SSI
Market price (Closing price on28/12/2012):	VND 16,100/share
2011 cash dividend:	10%
Execution date	14/12/2012
Ex-dividend date	21/11/2012
Record date for registered shareholders entitled to cash dividend	23/11/2012
Pre-paid 2012 dividends:	None
Increase in chartered capital as a result of issuance to key personnel:	VND 15,000,000,000
Last date of issuance	28/12/2011
No. of shares issued	1,500,000
Par value	VND 10,000/share
Type	Common, transferring is restricted
Period of restriction	From 28/12/2011 to end of 28/12/2012
New issuance	1,500,000 shares
Listing date	19/01/2012
Execution date	18/6/2012

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BRANCH NETWORK



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