



SUMMARIZED REPORT

Business results 2009 and business plan 2010

BUSINESS RESULTS 2009

I- GENERAL SITUATION:

The global economic situation in general and Vietnam economic situation in particular are still in the recovering stage. Thuduc House has taken initiatives in implementing plans approved by General Shareholder's meeting in a cautious way and appropriately adjusts its business strategies suitably with each era, each sector.

The main goal that Thuduc House aims to achieve is to effectively execute the targeted plan for its operation as approved by General Shareholder's meeting, at the same time, creating sound foundation for future stable development.

II- RESULTS OF BUSINESS ACTIVITIES:

1. Report on business results:

1.1- Consolidated financial position and business results 2009:

Table 1: Financial position as of 31/12/2009 (Consolidated)

Unit: VND Million

Content	31/12/2009	01/01/2009	Increase/decrease compare with beginning of year	
			Value	Ratio (%)
<u>ASSETS</u>				
<u>A. Current assets:</u>	890,439	703,519	186,919	126.57
I. Cash and cash equivalent	97,930	103,748	(5,818)	94.39

Content	31/12/2009	01/01/2009	Increase/decrease compare with beginning of year	
			Value	Ratio (%)
II. Short term financial investments	5,626	80,807	(75,181)	6.96
III. Account receivables	309,235	123,011	186,224	251.39
IV. Inventories	470,130	395,311	74,818	118.93
V. Other current assets	7,516	641	6,875	1,172.41
B. Non current assets:	943,004	729,460	213,544	129.27
I. Long term account receivables				
II. Fixed assets	200,600	76,628	123,971	270.78
III. Investment property	10,067	10,749	(682)	93.65
IV. Long term financial investments	690,931	624,495	66,436	110.64
V. Other non-current assets	34,427	10,127	24,300	339.95
VI. Goodwill	6,978	7,458	(480)	93.56
TOTAL ASSETS:	1,833,444	1,432,980	400,463	127.95
LIABILITIES AND OWNER'S EQUITY				
A. Liabilities:	535,327	411,688	123,639	130.03
I. Current liabilities	285,269	200,874	84,395	142.01
II. Non-current liabilities	250,058	210,813	39,244	118.62
B. Owner's equity:	1,247,654	1,001,009	246,645	124.64
I. Owner's equity	1,230,386	986,949	243,436	124.67
1. Capital	378,750	252,500	126,250	150.00
2. Share premiums	433,949	509,135	(75,186)	85.23
3. Treasury stocks (*)		(68,488)	68,488	
4. Exchange rate difference	(1,283)		(1,283)	
5. Business promotion fund	218,462	112,781	105,681	193.71
6. Financial reserved fund	32,501	27,539	4,961	118.02
7. Other funds	2,3	369	(367)	0.62
8. Retained earnings	168,003	153,112	14,891	109.73
II. Other sources and funds:	17,268	14,059	3,208	122.82
1. Bonus and welfare funds	17,268	14,059	3,208	122.82

Content	31/12/2009	01/01/2009	Increase/decrease compare with beginning of year	
			Value	Ratio (%)
C. Interest of minorities	50,462	20,283	30,179	248.79
TOTAL OWNER'S EQUITY	1,833,444	1,432,980	400,463	127.95

❖ **Total assets:** As of 31/12/2009 total assets of ThuDuc House was **VND 1,833.4 billion**, increasing **27.95%** compared with beginning of the year. In which:

✓ **Current assets** was **VND 890.4 billion**, accounted for 48.57% of total company assets, increasing 26.57% compared with beginning of the year. In which the balances of cash, term deposit and non-term deposit at bank as of 31/12/2009 was VND 103.6 billion.

Current assets up by 26.57% compared with the beginning of year due to increasing/decreasing items as followings:

- Cash down by VND 26.5 billion, equivalent to -31.8%.
- Cash equivalents up by VND 20.7 billion, equivalent to 100.8%.
- Short term investment down by VND 75.06 billion, equivalent to -92.9%.
- Account receivables up by VND 186.2 billion, equivalent to 151.3%.
- Inventories up by VND 74.81 billion, equivalent to 18.93%.
- Other current assets up by VND 6.8 billion, equivalent to 10.72%.

✓ **Non current assets** was **VND 943 billion**, accounted for 51.44% of Company total assets, and increased by 29.27% compared with beginning of the year, mainly due to increasing/decreasing items as followings:

- Fixed assets and expenses on construction in progress up by VND 123.9 billion, equivalent to 161.7%.
- Property investment decreased by VND 682.6 million, equivalent to -6.35%.
- Long term financial investment up by VND 66.4 billion, equivalent to 10.64%. In which:
 - * Capital contribution into subsidiary companies: VND100 million.
 - * Capital contribution into joint venture corporations: VND 307.688 billion.

* Other long term investments: VND 406.3 billion. In which: investing in long term securities: VND 186.8 billion, capital contribution for business co-operation: VND 219.5 billion.

* Provision for long term financial investment: VND - 23.2 billion.

- Other non current assets up VND 24.2 billion, equivalent to 239.93%.

❖ **Liabilities and Owner's equity:** Compared with the beginning of 2009, account payables was VND 535.327 billion, up by 30% compared with beginning of the year. In which mainly increased from short term borrowings and liabilities (up VND 51.2 billion), payable to suppliers (up VND 16.5 billion), taxes and payable to Government (up VND 31.6 billion), expenses payable (up VND 50.7 billion).

✓ Short term and long term bank borrowings of Thuduc House as of 31/12/2009 was VND 155.2 billion (with interest rate averaged at 0.764% /month), up by VND 74.7 billion equivalent to 92.7% compared with beginning of year.

✓ **Owner's equity** was VND 1,230.3 billion, up by VND 243.4 billion, equivalent to 24.67% compared with the beginning of year 2009.

Table 2: Business results for 2009 (consolidated)

Unit: VND Million

Targets	Plan for 2009	Actual for 2009	Ratio Actual/plan	Ratio Actual/2008
Total revenue	550,000	618,091	112.38%	94.75%
Profit before tax	225,000	357,071	158.70%	126.54%
Profit after tax	185,000	299.012	161.63%	150.73%
Profit after tax of Parent company (after excluding interest payable to internal shareholders, joint venture companies)	172,000	229,953	133.69%	121.29%

1.2- Business results for 2009 of Parent company (Thuduc House):

Table 3: Business results 2009 of Parent company

Unit: VND

Targets	Plan for 2009	Actual for 2009	Ratio Actual/plan	Ratio Actual/2008
Total revenue	472,836	537,773	113.73%	114.83%

Profit before tax	216,048	336,758	155.87%	143.06%
Profit after tax	178,220	283,023	158.81%	150.44%
Profit after tax of Parent company (after excluding interest payable to internal shareholders, joint venture companies)	172,000	218.595	127.09%	121.89%

1.3- Structural change of owner's equity and situation of Thuduc House stocks:

Experiencing great volatility of the stock market, TDH share price changed in accordance to VN-Index. Ending the trading dated 31/12/2009, VN-Index was at 494.77 point (up by 58% compared to beginning of 2009). TDH share was VND 67,000 at the end of year 2009, equivalent to the price before issuing bonus share of VND 100,500/share, up by 234% as compared with those of beginning of 2009 (VND 30,000/share). Consequently, one could say that price of THD share had increased significantly, bringing added interest to shareholders.

❖ Statistics on TDH shares in 2009:

- Total trading volume in 2009 reached 53,810,219 shares. In which, foreign bought was 7,180,367 shares and foreign sold was 6,139,357 shares.
- Percentage of foreign ownership as of 31/12/2009 was 40.1%.

Information on TDH shares in 2009

Highest price in 2009 (VND)	VND 120,000 /share
Lowest price in 2009 (VND)	VND 28,000/share
Foreign-owned ratio (31/12/2009)	40.1%
State-owned ratio (31/12/2009)	8.887%
Total trading volume 2009	53,810,219 shares
Average trading volume/session	214,383 shares
Current listed shares	37,875,000 shares
Number of outstanding shares	37,874,612 shares
Market capitalization (31/12/2009)	VND 1,691.75 billion

❖ Total number of TDH shares and trading information on treasury stock:

As of 01/01/2009: total number of treasury stocks that Thuduc House owned was 1,315,751 shares (including 138,385 TDH shares which was owned by Phong Duc company and 226 odd shares had been bought back by Thuduc House during the time of share issuance to increase chartered capital from VND 230 billion to VND 252.5 billion).

From 21/01/2009 to 22/01/2009: bought additional 72,860 shares at average price of VND 31,753/share; the total number of treasury stocks had increased to 1,388,611.

From 28/08/2009 to 02/10/2009: sold 1,250,226 treasury stocks.

Thuduc House collected a premium worth of approximately VND 52.2 billion with the average price of nearly VND 90,000/share.

As of 31/12/2009: total number of TDH shares was 37,875,000, par value was VND 10,000. In which 388 treasury stocks were included (that is the odd shares bought by Thuduc House from shareholders at par value).

❖ Situation of dividends distribution:

On the 15/09/2009 Thuduc House had made dividend payment first time in 2009 by cash, with ratio 15% of chartered capital to shareholders and the total payment schedule was VND 35.999 billion.

During 2009, Thuduc House also issued bonus shares to current shareholders with ratio of 2:1, and set a closing time of beneficiary right on 15/12/2009 in order to increase chartered capital from VND 252.5 billion to VND 378.75 billion.

2. Evaluation on business performance in 2009 and after 09 years of privatization (2001-2009):

2.1- Evaluation on business performance in 2009:

During 2009, economic situation remained in great difficulty, especially real estate market still experienced strong instability. Nearly all business sectors were stagnated and adversely influenced by this effect, all companies were forced to adjust revenue and profit plan for 2009 suitably with current situation and its own capacity. Specifically:

❖ Targeted Plan:

Targets	Consolidated figures		Parent company figures	
	%Actual/Plan	%Actual/same period	%Actual/Plan	%Actual/same period

Sales	136.30%	107.90%	136.70%	118.10%
Revenue	112.30%	94.75%	113.70%	114.83%
Profit before tax	158.70%	126.50%	155.80%	143.06%
Profit after tax	161.23%	150.70%	158.80%	150.44%
Profit after tax of Parent company (after excluding interest payable joint venture companies)	133.69%	121.29%	127.09%	121.89%
EPS	VND 6,308			

❖ **Key financial targets:**

Targets	Unit	Year 2008	Year 2009
Liquidity ratio			
Short term liquidity	<i>times</i>	3.50	3.12
Quick liquidity	"	1.53	1.47
Capital structure			
Borrowings ⁽¹⁾ /Total assets	%	5.62	8.47
Borrowings/Owner's equity ⁽²⁾	"	8.16	12.62
Profitability			
Profit before tax/Revenue ⁽³⁾	%	47.07	74.18
Profit after tax ⁽⁴⁾ /Revenue	"	31.62	47.77
Profit after tax/Owner's equity	"	19.21	18.69
Profit after tax/Total assets	"	13.23	12.54
Targets for stocks			
EPS ⁽⁵⁾	VND/share	5,660	6,308
Book value	VND/share	39,087	32,485
P/B	<i>times</i>	0.73	2.06
P/E	<i>times</i>	5	12
Dividends ⁽⁶⁾	%	30	15

⁽¹⁾ Short term and long term borrowings from banks, organizations.

⁽²⁾ Owner's equity does not include bonus and welfare fund.

⁽³⁾ Gross revenue

⁽⁴⁾ After tax profit already exclude the interests payable to joint venture companies.

⁽⁵⁾ EPS in 2008 was retroactively adjusted according to bonus share ratio in 2009

⁽⁶⁾ Advanced dividend payment first time in 2009

Especially, despite the fact that real estate market has been stagnated, the Company continuously executed numbers of new projects namely Market Hall C (Thu Duc Agriculture Wholesale Market), TDH – Phuoc Binh apartment (District 9), Cantavil Premier (District 2), inaugurated La Sapinette Hotel and Lang Biang Plaza at the end of December 2009... meanwhile other projects were also urgently invested such as Complex building in Ha Noi, Centum Wealth project (District 9), TDH - Phuoc Long apartment (District 9), La Sapinette Lang Co (Hue province), Resettlement area in Tam Tan – Cu Chi, Residential area in Central Ben Luc – phase 2 (Long An) and many more projects that aim to provide revenue for 2010 and coming years.

2.2- General evaluation after 9 years of privatization with nearly 2 management tenures (tenure 1 from 2001-2006; tenure 2 of first 4 years (2006-2009)): Thuduc House had achieved impressive results:

✓ **Chartered capital** of Company in 2001 was VND 15 billion and increased to VND 378.75 billion, up by 25 times compared with the time of privatization.

✓ **Total assets** of Company in 2001 was VND 61.8 billion and increased to VND 1,833.4 billion, up by nearly 30 times compared with the time of privatization.

✓ **Revenue** of Company in 2001 reached VND 20.5 billion and increased to VND 618.0 billion, up by nearly 30 times compared with the time of privatization.

✓ **After tax profit** of Company increased to VND 294.3 billion from VND 4.46 billion in 2001, up by nearly 65 times compared with the time of privatization.

2/ Situation of executing investments:

a/ Area of property investments:

INFORMATION ON PROGRESS OF THUDUC HOUSE PROJECTS

(As of 31/12/2009)

No	Project Name	Total Investment Capital	Area (sqm)	Usage Area (sqm)	Amount of kiosks/ apartments	Progress
I	Projects are being carried out:					
1	TDH - Truong Tho Apartment Building – HCMC (TDH:100%) (Thuduc District)	400 Bn VND	6,994	25,645	262 apartments	* Being finished the project * The company expects to transfer the apartments to customers in Q2/2010
2	Cantavil Premier - HCMC (TDH: 40%) (District 2 – HCMC)	60 Mn USD	11,170	* Apartment: 26,140sqm * Office for lease & commercial center: 23,723sqm	184 apartments and 15 penthouses	* Already grounded breaking in 09/2009 * Already finished design and prepare to submit for construction license
3	La Sapinette Project - Da Lat City (TDH:39%)	150 Bn VND	7,902	* Commercial center: 5.214m2 * Hotel: 91 rooms		* Already completed construction, inaugurated a and put into operation on December 28th 2009
4	Market B (TDH: 100%) (Thuduc Agriculture Wholesales Market)	45 Bn VND	12,078	5,340	258 kiosks	* Already signed lease contract about 85% on total area of kiosks. The remaining kiosks are rented in short-term.
5	Market C (TDH:100%) (Thuduc Agriculture Wholesales Market)	20 Bn VND	6,278	1,900	70 kiosks	* This project is expected to be inaugurated and put into operation in February 2010
6	TDH - Phuoc Binh Apartment Building - HCMC (TDH: 100%) (District 9 – HCMC)	101.3 Bn VND	2,314	7,297	86 apartments	* Already started construction in 08/2009 * Being pressed stake. It's expected that foundation and body of project will be implemented in March,2010
II	Projects are going to be invested					
1	TDH - Phuoc Long Apartment Building - HCMC (TDH:100%) (District 9 – HCMC)	146 Bn VND	3,573	12,173		* Being pressed pile joints
2	Centum Wealth High-Grade Apartment (TDH: 51%) (District 9 – HCMC)	60 Mn USD	11,582	44,319	343 apartments	* Being implemented design for project

TT	Dự án	Tổng vốn đầu tư	Diện tích (m2)	Diện tích khả dụng (m2)	Số ô vựa/ căn hộ	Tiến độ
3	TDH - Binh Chieu Apartment Building - HCMC (TDH:51%) (Thuduc District)	422 Bn VND	10,502	na		* Being designed for project
4	Minh Khai Project - Ha Noi (TDH: 14%)	94,3 Mn USD	28,726	* Office and Commercial Center: 28,875 sqm * Apartments: 76,668 sqm * Garden Houses: 3,600sqm		* Already approved master plan * Being set up procedure of land transfer
5	Dong Mai New Urban Area - Ha Noi (TDH: 10%)	1,265 Bn VND	2,250,000	na		* Doing procedures to transfer the land purpose from industrial zone to residential area
6	Phuoc Long B Residential & Commercial project (TDH: 50%) (District 9 – HCMC)	1,000 Bn VND	37,140	na		* Already executed master plan 1/500; implemented assessment of land value
7	Office, Commercial, Hotel & Apartment for lease - Lang Co - Hue (TDH:100%)	150 Mn USD	137,840	na		* Already had decision of land withdrawal. * Being tested actual state and put compensate price for residents.
8	Ben Luc Town Residential Project – Phase 2 (Long An) (TDH:49%)	234,4 Bn VND	267,000	125,803		* Already compensated about 80% * Being designed
9	Resettlement Project for City Northwest Urban Area (Tam Tan - Cu Chi (TDH:40%)	1,012 Bn VND	200,000	na		* Executing investment procedures
10	Phuoc Long A Apartment Building (TDH: 70%) (District 9 – HCMC)	105 Bn VND ⁽¹⁾	14,680	na		* Already signed investment corporation contract * Executing investment procedures
11	La Sapinette Resort - Hue province	159 Bn VND	50,000	na		* Already received investment license * Establishing plan of compensate price

Notes: (1): Compensation payments for factory land, not including land use right money which pays to the Government

2.2 Area of services:

Operational situation of companies that directly dependent on Thuduc House such as Thu Duc Sport Club, Tang Nhon Phu petrol station (District 9) is steady and able to have profit.

Thuduc House always pays attention to reinforce management quality for subsidiary companies. Until now, subsidiary companies with more than 51% capital contributed from Thuduc House all have steady operation, under good management and their growth rates have all reached the targeted plan. Symbolic companies namely Thu Duc Agriculture Wholesale Market Limited Company, Phong Duc Construction Limited Company, Dong An Binh Pure Ice Limited Company all achieve high targeted plan and dynamically support the general investment strategy of the Company, however companies that are recently established such as Thong Duc Joint Stock Company, Gia Duc Services Manufacturing Joint Stock Company, Song Duc Trade and Services Limited Company, all operate stably, expect to have considerable profit in 2010.

2.3 Area of finance:

With certain financial management strategy, Thuduc House is one of the companies that has stable financial capacity for investment activities. Besides the capital mobilized from related companies, large fund management companies both local and international, Thuduc House has contributed the invested capital, participated in establishing subsidiaries, joint venture companies in many sectors together with fund management companies, securities companies and banks. This strategy already had and is bringing excellent outcomes, giving Thuduc House the chance to enhance its competitiveness as well as creating the supportive financial resources in executing projects of the Company.

Thuduc House was also the first real estate company in the South having listed on the stock exchange on 14/12/2006. This would be a breakthrough development, opening up an advantageous source of fund for the Company during this integration period.

❖ List of stocks that Thuduc House currently invests:

Executing financial investment guidelines in an attentive manner, during the year, the Executive Board had been extremely cautious in financial investing activity through closely followed the market situation and buy-sell a few high expected stocks in order to serve the long term investment strategy.

LIST OF FINANCIAL INVESTMENT IN 2009
(As of 31/12/2009)

No.	COMPANY	Total number of shares hold		
		At 01/01/2009	At 31/12/2009	Increase/decrease within period
I	LISTED STOCKS			
1	Infrastructure Investment Joint Stock Company (CII)	528,290	641,454	113,164
2	PRUBF1 Fund Certificate	1,250,000	1,250,000	0
3	Petrolimex Insurance Joint Stock Company (PVI)	81,000	81,000	0
4	Construction Joint Stock Company Number 5 (SC5)	32,724	71,724	39,000
5	HCMC Securities Joint Stock Company (*) (HCM)	1,122,640	803,445	-587,010
II	OTC STOCKS			
1	Orient Commercial Bank (OCB)	2,655,650	3,186,780	531,130
2	Housing Development Commercial J.S Bank (HDB)	6,466,967	0	-6,466,967
3	Phuoc Long Investment J.S Company	937,037	1,495,042	558,005
4	ThuDuc Water BOO Corporation	500,000	500,000	0
5	Da Nui Nho Joint Stock Company	31,781	37,611	5,830
6	An Binh Commercial J.S Bank	2,800	2,951	151
7	Thua Thien Hue Import – Export Joint Stock Company	300,000	300,000	0
8	Golden Lotus Securities Corporation	1,466,200	3,036,300	1,570,100
9	Viet Long Fund Management	3,000,000	3,000,000	0
10	Phong Phu Corporation	2,700,000	2,700,000	0
11	Pacific Property and Infrastructure Development Joint Stock Company (135 Company)	1,728,000	1,728,000	0
12	HCMC Housing Development & Property Joint Stock Company	240,000	240,000	0
13	Hue House Construction and Development Joint Stock Company	0	200,000	200,000

(*) During the year, Company received 267,815 HCM bonus shares.

3. Other activities:

3.1-Activities of corporate management, personnel and training:

❖ **Corporate management:** Besides strengthening the organization and building effective business system that follow the new structure and suitably to the era of integration and development; Building and enforcing ontime, adequate basic administrative rules and regulations in order to serve the work of corporate management; Building labor policy, salary distribution, fair and reasonable bonus/penalty policy... with the purpose to contribute to create a driving force for an effective and efficient business operation. During the year, Thuduc House also investigated and invested in upgrading administration system including:

✓ Successfully implemented quality control system ISO 9001:2000 and preparing to assess newer version ISO 9001:2008 in October 2010.

✓ On 07/12/2009, Company signed a service contract with FPT-IS-ERP in order to execute ERP SAP project that serves for formation of information and provide general administrative reports for the business including management subsystem such as: Financial Accounting, Material Management, Sales and Distribution, Document Management System, Real Estate, Project System, Investment Management, Treasury and Business Intelligence (reports for leaders). The application of ERP during this time is suitable to the broadening development structure of the Group, this would contribute in helping Thuduc House to enhance the management activity and business process in accordance with international standard, at the same time, helping the Company to raise profit, contributing to higher level of competition and brand developing of Thuduc House. Project had already started on 25/01/2009.

❖ **Personnel:** As of 31/12/2009 total number of employees of Thuduc House Group was 963 persons. In which, employees of Thuduc House was 95 persons including 66 males and 29 females.

The employees of Thuduc House Group are continuously reinforced and developed both in term of quality and quantity. Every department and individual at Thuduc House keeps learning and improving their professional skills and ability. As of 31 December 2009, over 68% of employees and staff of Thuduc House have college degree or above. Thuduc House always encourage and motivate its employees to learn and enhance their professional qualifications:

Statistics on personnel of Thuduc House:

- **Qualification:**

- ✓ Postgraduate degree: 6 people
- ✓ Bachelor degree: 55 people
- ✓ College degree: 04 people
- ✓ Others: 30 people

- **Age:**

- ✓ Employees under age of 30: 18 people
- ✓ Employees from age of 30 to 40: 37 people
- ✓ Employees over the age of 40: 40 people

- ❖ **Training:**

Acknowledged the fact that human resource is the key to success, the work of training and re-training human resources have continuously been seen as essential programs by Thuduc House over the years. Highly skilled, eager to learn employees would be highly assessed and acknowledged by the company.

Through the yearly plan and training program, Company encourages employees to study and train according to their ability and profession, such as undertaking related short and long courses: project management, financial management and analysis, human resource management and marketing skills... On the other hand, improving the administration skills for high managerial positions and encouraging to study foreign language, is a sound preparation for Thuduc House during this integration period, was also part of Company training policy. In 2009, 100% Managers and Deputy Managers of the Company had successfully completed Mini MBA program that trained by Business School. More than 82 employees registered for short courses of different professions. Total expense for training in 2009 was more than VND 500 million.

Thanks to good training policy, Company has been able to create an excellent team with high skills, good sense of disciplinary, enthusiastic and creative, autonomous and great ability to adapt in different working environments. Respectfully 100% Thuduc House employees are committed to devote and work for Thuduc House for long term after the training, is a key stimulant in developing strategy of Thuduc House as to become the top real estate company in Viet Nam.

3.2- Marketing and brand development activities:

In order to improve the value of its brand identity to customers and community, Thuduc House keeps performing the promotion activity and disclosing information to its clients through the means of:

- ✓ Updating information and regularly advertise on the website of Thuduc House.
- ✓ Issuing monthly newsletter updating information on operation of Thuduc House.

✓ Providing information, introducing images, investment projects, development potential to both international and local presses.

✓ Cooperating regularly with Ho Chi Minh City Real Estate Association, Real Estate club,.. and VCCI in order to advertise its brand.

✓ Sponsoring community oriented programs.

3.3- Investment promotion and investors relationship:

✓ **Meeting with foreign organizations, fund management companies:** During 2009, more than 50 fund management companies both local and international had met and worked with Thuduc House in order to study, exchange information about the Company; particularly in area of progress of projects, business performance, orientations and strategic development of the Company in the short run and long run. On the basis of information provided, these organizations desired to seek for business opportunities and direct investment in shares of Thuduc House. In which, large foreign fund management companies including Credit Agricole Asset Management (Singapore), KITMC Fund (Korea), Agrisaig Asia Partner (Singapore), Deutsche Bank Sin Asset Management Fund, Red River Holdings, Finansia Fund, Morgan Stanley

Through these meetings, Thuduc House noted problematic issues, mainly those of great attention from foreign organizations for a listed company. This would help to improve the investor relations activity in a better and professional way.

✓ **e-IR newsletter:** In 2009, Thuduc House had continuously published e-IR newsletters in order to update information about the company situation, progress information on projects and report on business results every quarter. E-IR newsletters have often been sent to analysts of securities companies, fund management companies both of local and international scale.

✓ **Analyst Meeting:** Until now, Thuduc House has organized 04 analyst meetings successfully with the a big number of analysts attending. The main purpose is to update information about the company and increasing the transparency in investor relationships. Through these Analyst Meeting, analysts have the chance to directly raise questions and exchange information with Executive Board. This is an effective activity in investor relations, since analysts from securities companies would be the most efficient mean of linking a listed company with investors.

Thuduc House will maintain this activity and is able to initiate change that would have more attractions.

4. Awards being granted and outstanding events during the year:

❖ Awards being granted:

✓ “Vietnam Gold Star Award” (04 consecutive years 2006-2007-2008- 2009) voted and granted by Vietnamese Youth Union and Vietnamese Business Association for top brands, top products of Vietnam.

✓ Award of “Golden Cup for Trademark in Construction Industry - Vietbuild” (03 consecutive years 2006-2007-2008) granted by Ministry of Construction to honorably grant businesses that have outstanding performance in producing new and high quality products, meeting the construction demand and development of the country.

✓ Award “Excellent Company in Vietnamese Construction Industry – VietReal” (03 consecutive years 2006-2007-2008) presided over by the Ministry of Construction to honorably grant and award the businesses in construction industry for effective performance, contributing the development of real estate sector and construction in Vietnam.

✓ National Committee of Economic Cooperation awarded Thuduc Housing and Development Corporation for having outstanding performance in the development of products and trademark, participating in global economic integration.

✓ Small and Medium Vietnamese Business Association certified the real estate products and services finance investment of the Company being awarded “Gold Cup Vietnamese prestigious and quality products 2006”.

✓ Vietnam Trademark Network certified the trademark of Thuduc Housing and Development Corporation for being awarded “Topten Gold Cup Vietnamese prestigious and quality products”.

✓ Stock Trading Association granted “Gold Cup for prestigious Securities Company and Top Vietnamese Joint Stock Company 2008”.

✓ Award “Vietnam Golden Stock 2009” by the publication Committee “Vietnam Golden Stock 2009” selected as the best stock out of the 300 stocks listed in HOSE and HASTC.

✓ Received 3 awards at the same time by the Organization “For the health and development of the community” including:

- Top Business Gold Cup 2009
- Top Brand Gold Cup 2009
- Top Real Estate Services Gold Cup 2009

✓ Award for the most impressive annual report and top 13 businesses with highest score for “Selection of Annual Report 2008” by Selection Committee of Investment Finance Newspaper and Ho Chi Minh City Stock Exchange that organized this event.

✓ Chairman cum General Director Le Chi Hieu was honorably awarded title “Businessman of Vietnam 2009” and 03 consecutive years for “Businessman of Saigon for 2007, 2008 and 2009”.

✓ Especially, individual Executive Board of the company was honorably awarded by the President for the excellent performance from 2003 – 2007 that contributing in the building of social republic and protecting the country according to the Decision no.82 QD/TTg dated 15/01/2009.

❖ **Outstanding events during the year:**

✓ Vietnam Gold Star Award - 4th time (02/09/2009).

✓ Award of Real Estate Business of the year 2009 (18/12/2009).

✓ Executive Board of Thuduc House received awards from the President for the excellent performance from 2003 – 2007 that contributing in the building of social republic and protecting the country (January 2009).

✓ Organization “For the health and development of the community” awarded Gold Cup: Top Business in 2009; Top Brand in 2009; Top Real Estate Services in 2009.

✓ Annual Report 2008: awarded for the best and impressive design annual report (03/07/2009).

✓ Chairman cum General Director Le Chi Hieu was awarded the title “Businessman of Vietnam 2009” and “Businessman of Saigon 2009” (13/10/2009)

✓ Chairman cum General Director Le Chi Hieu was elected as one of five leaders being awarded the title “Real Estate Star 2009” (18/12/2009).

✓ Established joint venture companies namely ThuDuc House Property Ventures LLC & Blue Pacific Purchase and Development LLC in USA (March 2009).

✓ Established Phuc Think Duc Investment Limited Company (May 2009).

✓ Established Hue – Thu Duc House Investment Joint Stock Company (October 2009).

✓ Announcement of joint venture contract and signing ceremony of architectural design agreement for Centum Wealth high grade apartment – Hiep Phu, District 9 (04/06/2009).

✓ Opened the Thuduc House - VinatexLand Real Estate transaction office in Ha Noi (10/06/2009).

✓ Signed the general cooperation agreement with HCMC Housing Development Commercial Joint Stock Bank of (HDBank) (18/06/2009).

✓ Started the Market Hall C – Thu Duc Agriculture Wholesale Market (26/08/2009).

✓ Started TDH – Phuoc Binh Apartment – District 9 (27/08/2009).

✓ Ground breaking ceremony of Cantavil An Phu Phase 2 complex building (CANTAVIL PREMIER) (08/09/2009).

✓ Opening ceremony of Petrol Station Number 2 (Thuduc House contributes 51%) at Thu Duc Agriculture Wholesale Market (08/10/2009).

✓ Opening ceremony of La Sapinette Da Lat Hotel and Commercial Centre (28/12/2009).

✓ Starting ceremony of ERP SAP project (07/12/2009).

4- Activities for the community:

Together with the goals of bringing prosperity to its shareholders and creating business values, ThuDuc House is not only recognized as a active contributor for the development of the nation economy but also as the company having responsible for the interests of community and society.

During the last years, Thuduc House has kept its instant efforts and contribution together with the City authority to act for the benefits of the poor. Thuduc House, on the one hand, giving sponsors while encourage its employees contribute for programs called by the City such as eradicating hunger – reducing poverty, building charity houses, aid for the victims of floods, for the poor children...

Possibly that each company has its own view and contribution for development of community, but for Thuduc House, its contribution to community is not only good deed but its responsibility. Thuduc House highly value the meaningful social activities for the interest of the community:

✓ Sponsoring program for poor children for heart surgery of Assciation of Poor Patient of the City with the value of 2 billion VND in 2009.

✓ Sponsoring program for Vu A Dinh Scholarship Fund for poor highland children with the value of 500 million VND.

✓ Sponsoring program raise funds for students – pupils; Vietnam Charming Program – raise funds for Nguyen Duc Canh Scholarship for poor students – pupils; Sponsor program for students to start career; Program “Give strength for going to school”.

✓ Sponsoring program for victims of dioxin and handicapped people, Supporting program for natural disaster and flood victims in Dien Bien & Lai Chau province; “For poor

women” program; Program of offering saving accounts to dead and wounded soldiers, families of special circumstances.

Those meaningful charity activities have shown the sincere heart of Thuduc House in contributing together with the society in the activity of socializing for poor people, at the same time encouraging Thuduc House employees to voluntarily and practically share values – in order to personify the life for community and contribution awareness to each of individual ones, beautifying the culture and image of Thuduc House.

III. REPORT ON SITUATION OF CORPORATE MANAGEMENT OF AFFILIATED COMPANIES:

Within the administrative strategy of the Board of Management, over the past years member companies of Thuduc House have made efforts to stabilize the organization, actively cooperate within the network in order to build effective business structure, creating valuable product lines and meeting the intention for development of Thuduc House Group.

1. List of subsidiary companies (Thuduc House owns more than 51% of chartered capital):

Currently Thuduc House has a total of 09 subsidiary companies. In which: 08 subsidiary companies are consolidated and 01 subsidiary company is not consolidated, particularly:

1.1 List of subsidiary companies that are consolidated:

No.	Company name	Address	Interest ratio	Voting right
1	Thu Duc Agricultural Wholesale Market Limited Company	141, Quarter 5, National Road 1A, Tam Binh Ward, Thu Duc District, HCMC.	100.00%	100.00%
2	Phong Duc Construction Limited Company	9/7 Road 3, East Hamlet, Binh Trung Dong Ward, District 2, HCMC	65.00%	65.00%
3	Dong An Binh Pure Ice Limited Company	Number 4, Road 4, Quarter 5, National Road 1A, Tam Binh Ward, Thu Duc District, HCMC.	100.00%	99.60%
4	Tam Binh – Thu Duc Services Limited Company	Quarter 5, National Road 1A, Tam Binh Ward, Thu Duc District, HCMC	100.00%	100.00%

5	Gia Duc Trade and Manufacture Joint Stock Company	683 National Road 52, Phuoc Long B Ward, District 9, HCMC	49.75%	55.00%
6	Song Duc Trade and Services Limited Company	139B, Quarter 5, National Road 1A, Tam Binh Ward, Thu Duc District, HCMC	51.00%	51.00%
7	Thong Duc Joint Stock Company	01 Phan Chu Trinh, Ward 9, Da Lat city, Lam Dong Province	65.00%	65.00%
8	Phuc Thinh Duc Investment Limited Company	6B1-4 Dinh Bo Linh, Ward 24, Binh Thanh District	70.00%	70.00%

1.2 List of subsidiary company that is not consolidated:

No.	Company name	Address	Interest ratio	Voting right
1	Hue – Thu Duc House Investment Joint Stock Company	Lap An Hamlet, Lang Co Town, Phu Loc District, Thua Thien Hue Province	75.00%	75.00%

Explanation:

Hue – Thu Duc House Investment Joint Stock Company started to operate as per the first investment certificate number 312031000042 dated 07/10/2009. Fiscal year began from 07/10/2009 to 31/12/2010. Currently in the process of investment.

Besides, Thuduc House has another subsidiary company which is a branch of Hung Vuong Security Limited Company (Tam Binh – Thu Duc Services Limited Company contributed capital to establish the company: chartered capital in 2009 was VND 800 million – Tam Binh company owned 50% which was VND 400 million; in 2010 would increase to VND 2.5 billion, Tam Binh company owns 70% is VND 1.75 billion). Due to the investment value into branch of Hung Vuong Security Limited Company in 2009 was rather small, this would not affect the consolidated report, therefore would not included in the report.

2. General financial position and business results of subsidiary companies:

❖ Thu Duc Agricultural Wholesale Market Limited Company:

Unit: VND Million

Explanation	Plan 2009	Actual 2009	Ratio Actual/Plan
Financial position			
Total assets		34,604	
Total Owner's equity		25,673	
Chartered capital		9,000	
Operation results			
Total revenue	57,940	67,677	116.80%
Profit before tax	5,698	9,475	166.29%
Profit after tax	4,273	7,825	183.12%

❖ **Phong Duc Construction Limited Company:**

Unit: VND Million

Explanation	Plan 2009	Actual 2009	Ratio Actual/Plan
Financial position			
Total assets		75,999	
Total Owner's equity		50,633	
Chartered capital		10,000	
Operation results			
Total value of business production	34,900	34,981	100.23%
Total revenue	41,371	52,716	127.42%
Profit before tax	3,255	13,579	417.17%
Profit after tax	2,441	11,383	466.33%

❖ **Tam Binh – Thu Duc Services Limited Company:**

Unit: VND Million

Explanation	Plan 2009	Actual 2009	Ratio Actual/Plan
Financial position			
Total assets		27,501	

Total Owner's equity		26,823	
Chartered capital		43,000	
Operation results			
Total revenue	4,405	4,185	95.00%
Profit before tax	931	597	64.12%
Profit after tax	768	493	64.15%

❖ **Dong An Binh Pure Ice Limited Company:**

Unit: VND Million

Explanation	Plan 2009	Actual 2009	Ratio Actual/Plan
Financial position			
Total assets		18,818	
Total Owner's equity		18,335	
Chartered capital		25,000	
Operation results			
Total value of business production	5,900	5,442	92.24%
Total revenue	9,180	9,184	100.05%
Profit before tax	320	521	162.81%
Profit after tax	264	430	162.81%

❖ **Thong Duc Joint Stock Company:**

Being established to manage the La Sapinete Da Lat hotel and commercial centre. In 2009 main activity of the company was to prepare for the opening of La Sapinette Hotel and Lang Biang Plaza, especially during the end of 2009, construction work, shop for equipments, recruit human resources as well as marketing for image of the project had been executed with high level of tension.

On 28/12/2009, Company had organized the opening ceremony of La Sapinette Hotel and Lang Biang Plaza. Initial operation was pleasing. After the opening ceremony, on 01/01/2010 La Sapinette hotel had received bookings of 48 rooms during the occasion of Da lat Flower Festival 2010. Sales from 01/01 to 10/01/2010 reached VND 169 million. Lang Biang plaza on the other hand, welcomed thousands of customers for shopping, sales from 28/12/2009 to 12/01/2010 was VND 1,596 million. This is a pleasant signal for the operating activity of the company in 2010.

❖ Gia Duc Trade and Manufacture Joint Stock Company:

Established and operated from 2008 however from 2009, the Company was initially stabilized the operation and provided service contracts for many projects.

Besides individual contract with customers, in 2009 Company had contracted to provide and install window products for 2 major projects of Thuduc House namely TDH-Truong Tho apartment and La Sapinette Da Lat hotel and commercial centre. Business result was of satisfactory level:

- ✓ Total revenue: VND 9,724 million
- ✓ Profit before tax: VND 1,560 million
- ✓ Profit after tax: VND 1,278 million

Company guides to continue to stabilizing structure, promoting marketing strategy to find new customers in order to increase sales in 2010.

❖ Song Duc Trade and Services Limited Company:

Company was established from December 2008 however until December 2009, the company was actively in operation (period of 2008-2009 was for constructing petrol station and other construction works related to the main business activity of the Company).

During the initial operating period (December 2009), the company business situation was of satisfactory result compared with other newly operated businesses when total revenue from products and services in December 2009 was VND 769,365,195. The Company already has the business plan and promote the finding of new customers within the area in order to increase the sales in 2010.

❖ Phuc Thinh Duc Investment Limited Company

Established in May 2009 to manage the residential area and commercial centre of Phuoc Long A project, Phuoc Long A Ward, District 9. As the initial steps, company would proceed with the formation of management structure and execute the formalities of investment such as initial preparation of investment, land use right payable to State budget, execute the planning design, marketing plan...

It is projected that the Company will organize ground breaking for the project in Q3/2010.

❖ Hue – Thu Duc House Investment Joint Stock Company:

Operated as per the investment certificate dated 07/10/2009 to manage 2 projects in Thua Thien Hue province that is complex building of hotel, commercial centre, apartment

and office for lease of Lang Co project and La Sapinette Lang Co resort.

Fiscal year of Company started from 07/10/2009 to 31/12/2010. Company is currently in the investment process.

BUSINESS PLAN FOR 2010

1. Forecast of social economic in 2010:

Despite having the positive changes in both economic situation generally and in Vietnam particularly, however one yet able to verify year 2010 would be a favourable, strong growth year for the global economy. Because, residuals from 2009 still exist and thus need more time for the global economy to recover and regain the growth.

Real estate market in 2010 is assessed as having positive changes compare with 2009. Specifically to higher trade volume and price of property tend to increase again.

Generally, the real estate market in will be strongly dependent upon the economy, credit policy of the banking system as well as the growth of stock market.

2. Strategic goals in 2010:

With the objective to maintain steady growth rate, affirm reliability of its brand and enhance the trust of customers, Thuduc House will make every effort to minimize risks, make the best of its current advances to overcome difficulties and challenges could be happened in 2010 in order to achieve the most satisfactory business results with the following solutions:

- ❖ Striving to consume finished products in order to guarantee the cashflow in 2010 and revenue for the coming years.

- ❖ Reducing costs at reasonable level.

- ❖ Applying system of enterprise resource planning (ERP) into managing business in the most effective manner.

- ❖ Taking advantages from Government policies to stabilize and develop.

- ❖ Executing projects ontime and of high quality in order to gain trust from customers and investors.

3. Business plan for 2010:

Thuduc House will attempt to ensure stabilized growth rate, strive to maintain higher sales and profit growth rate in 2010 compare with those of 2009, in particular:

❖ **Consolidated target operational plan:**

- Consolidated revenue: VND 709.183 billion.
- Consolidated profit before tax: VND 298.038 billion.

❖ **Target operational plan of parent company (Thuduc House):**

- Revenue: VND 630.220 billion.
- Profit before tax: VND 347.720 billion.

❖ **Strive to achieve key financial indicators:**

- ROE \geq 20%
- EPS: VND 6,100/share

❖ **Strive to guarantee the progress of major projects:**

- TDH - Truong Tho apartment (Thu Duc district): Inaugurate the project and hand over apartments to buyers.
- TDH – Phuoc Binh apartment (District 9): Execute the project to finish off the foundation and body of the project, prepare to launch phase 1 consumption in 2010.
- TDH – Phuoc Long apartment (District 9): Complete the investment procedures in order to execute the project in Q2/2010.
- TDH – Binh Chieu apartment (Thu Duc district): Complete the design development, prepare conditions for executing the project.
- Thu Duc Agriculture Wholesale Market – Market Hall C: Inaugurate and launch the consumption in Q1/2010.
- Lang Co – Hue complex building of hotel, commercial centre, apartment and office for lease (137,840 m²): Execute the compensation work, prepare for design and construction procedures.
- Cantavil Premier - Cantavil An Phu, District 2, phase 2 (Thuduc House: 40%): Execute to complete the procedures for design project in order to start construction.
- Centum wealth Hiep Phu – District 9 (Thuduc House: 51%): Complete investment procedures to start construction.
- Commercial centre and office building Minh Khai – Ha Noi (Thuduc House: 14%): Complete investment procedures to start construction.

- Residential area and commercial centre project in Phuoc Long B ward, of which Phuoc Long Investment Joint Stock company is the main investor (Thuduc House: 50%): Complete investment procedures to start construction.
- Residential area and commercial centre project in Phuoc Long A ward, of which Phuc Thinh Duc Investment Limited Company is the main investor (Thuduc House: 70%): Complete investment procedures to start construction.
- Residential area in Central Ben Luc phase 2 – Long An, of which Pacific Property and Infrastructure Development Joint Stock Company is the main investor (Thuduc House: 49%): Complete investment procedures to start construction.

4. Orientation, main solutions to carry out the above mentioned business plan and financial plan:

❖ Business orientation:

Consistent with cautious business strategy, preserve capital without missing any market opportunities. Following this, on the basis of 4 existing key business strategies including invest and trade in real estate – invest in finance and banking – invest in infrastructure and diversify type of business services based on existing projects (pure ice – market – warehouse – petrol station...). In this new era, Thuduc House will shift to another strategy of multilateral, internationalize in term of capital, human resource, location, scale... Actively approach new changes of the market in this highly competitive environment and develop the niche market in details, on the basis of emphasizing the unique characteristic of each product:

❖ Concentrate in property investment, besides existing constructed high grade apartments such as Cantavil, Centum that Thuduc House will create, develop further THUDUC HOUSE APARTMENT product line for middle grade projects to be supplied to the market such as TDH-Truong Tho apartment, TDH-Phuoc Long apartment... with criteria of nice, modern, environmental friendly, energy efficiency, cost effective, reasonable price which bear a distinct mark of Thuduc House.

❖ Concentrate in factory land, existing project land in order to limit the clearing and compensation procedures directly with residents. However, with particular projects that need to proceed on with the clearing and compensation work, then the Company would still assess, look for opportunity as if the compensation price is still low and have great potential.

❖ Expand into real estate tourist sector in order to be prepared for joint venture with foreign partners when necessary. Study investment in sectors such as office, school, hospital when cheap land lot, suitable location and capable partners is found...

❖ **Particular solutions:**

❖ **Administration:**

- Strengthening high managerial system through a number of key personnel changes. Department managers will be extensively given authorities.

- Improving management, upgrading technologies, mechanisms, structure and method of business production.

- Using capital effectively. Mainly concentrate on quality of products, trust of customers, strong brand building.

❖ **Human resource:**

- Recruiting and training additional key personnels in preparation for delegates who would be participated in companies that Thuduc House partner/joint venture with.

- Successully executing ERP project in conjunction with new thoughts for management system, dynamic, modern and timely management.

❖ **Finance:**

- Concentrate investing in finance companies in order to create financial links.

- Partially clearing out stocks that the supply exceeds the demand in the stock market.

- Preparing the issuance plan of convertible bond.

❖ **Project management:**

- Strengthen the work of project management, especially the task of managing costs.

❖ **Marketing:**

- Enhancing quality of marketing through the change of approaching techniques, side by side with traditional marketing tools, applying high technology marketing type: web, internet ...;

- Sponsoring radio program, broadcasting that heighten the importance of culture, literature which are of high interest from the society;
- PR for big event that raise social attention;
- Often organizing events or update information in a timely manner to improve Company image.

**On behalf of BOARD OF MANAGEMENT
THUDUC HOUSING DEVELOPMENT CORPORATION
CHAIRMAN**

(Signed)

LE CHI HIEU