



e-IR NEWSLETTER No.03 – Q4/2008

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THUDUC HOUSING DEVELOPMENT
CORPORATION



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TDH – HIEP PHU PROJECT

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THUDUC HOUSE NEWS

✚ IN 2008, THUDUC HOUSE ACHIEVED 598.2 BILLION VND IN NET REVENUES FROM SALES AND SERVICES

NORM	PLAN 2008 (A)	2007 (B)	2008 (C)	COMPARE	
				% Change (C)/(A)	% Change (C)/(B)
1. Net revenues from sales and services	363.2	188.5	598.2	+64.70%	+217.3%
2. Profit before tax	217.3	187	280.8	+29.22%	+50.2%
3. Profit after tax	182.2	164.5	199.1	+9.27%	+21.03%
4. Profit after tax of shareholders of parent company		144	188.1 ^(*)		+30.62%

Notes: (*): Profit After Tax of Shareholders of parent company includes:

+ Profit is divided to partners who contribute capital into Phong Duc Company (276.45 mil. VND)

+ Profit is divided to partners who contribute capital into Binh An 2 project, Sporting club (8.5 bil.VND)

In consolidated financial report, Thuduc House achieved 598.2 bil.VND in net revenues from sales and services. The 598.2 bil.VND net revenues were about 217.3% higher, compared with 188.5 bil.VND in the previous year. Profit before tax achieved 280.8 bil.VND, up 29.22% compared with the plan 2008 and 50.2% compared with 2007 financial year. Profit after tax of shareholders of parent company got 179.3 bil.VND, excluding profit-sharing (*), achieving 98.4% in comparison with the plan 2008. Besides, Thuduc House made financial provision fund (about 27 bil.VND). This figure did not count in plan 2008.

✚ 2008 AND THUDUC HOUSE:

❖ Growing in crisis:

- Profit growth is above 30% while property market has declined.

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- To take advantage of opportunities and hoard more land bank. Besides, current book value of land bank is lower than market value.
- The prestigious trade name and belief of investors and clients were strengthened more and more.
- Select and develop the projects are in accordance with market demand and financial capability of Thuduc House.

❖ ***Policies to overcome the crisis:***

- Focus on product and service quality.
 - Build ISO 9001:2000 quality management systems successfully to support prestigious trade name and investors' belief.
 - Develop property brokerage site to distribute the enterprise's product directly.
 - Transparency of information through company management and investor relations.
- Use owner financial source and restrict borrowing.
- Focus on developing the residential project which the price is around 1,100 USD/sqm and the commercial center for lease.
- Establish joint - venture company to increase financial capability, technology and management of product.

❖ ***Thuduc House and 2009 prospects:***

- Continue to improve management. Study to apply ERP (Enterprise Resource Planning).
- To take advantage of opportunities and stimulus policies from The Government to stabilize and develop
- Deploy the projects with exact rate of progress and high quality in order to ensure clients' belief.
- Study to use financial leverage which increases company's profit and shareholders' value.
- Maintain the stable profit and 2009 profit target of Thuduc House at least equal to 2008 profit.

CONSOLIDATED INCOME STATEMENT

Unit: Billion VND

CONTENT	Quarter 4			2007	2008	%	COMMENT
	2007	2008	%				
1. Net sales and services	66.17	274.66	315.08%	188.5	598.19	+217.3%	*Mainly recognized from 3 projects: - Market B: 101 bil.VND (received cash from 191 stalls/ 256 stalls). - Binh Chieu Project: 229.3 bil.VND (recognized 307 lots / 470 lots) - Hiep Binh Phuoc, Thuduc District: 131.5 bil.VND (received from transfer of land-use right (1.7ha)).
2. Gross profit from sales and services	32.75	152.89	366.82%	80.1	307.68	+284.1%	* Gross profit/net sales and services for 2008 (51.4%) is higher than the figure for 2007 (42%).
3. Net operating profit	43.16	141.25	227.28%	106.5	269.15	+152.7%	
4. Pre-tax Profit	58.37	148.11	153.76%	187	280.87	+50.2%	* Up 50.2% due to net operating profit in 2008 increased 89.59% * In Q4/2008, other income raised 287.1% compared with the figure in Q3/2008 (from 1.8bil.VND to 7 bil.VND) due to breach of contract.
5. After-tax profit	47.6	113.8	139%	164.5	199.1	+21.03%	
6. After-tax profit of shareholders of parent company	46.9	103.98	121.7%	144	188.1 ^(*)	+30.62%	* 30.62% higher than the previous year.

Notes: (*): PAT includes:

+ Profit is divided to partners who contribute capital into Phong Duc Company (276.45 mil. VND)

+ Profit is divided to partners who contribute capital into Binh An 2 project, Sport (8.5 bil.VND)

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CONSOLIDATED BALANCE SHEET

Unit: Billion VND

CONTENT	1/1/2008	31/12/2008	COMMENT
A. TOTAL ASSETS:	1,109.88	1,444.56	
1. Current assets	605.98	694.83	
1.1 Cash and cash equivalents	13.99	82.75	Cash at bank increased from 12.7 bil.VND to 81.5 bil.VND
1.2 Short-term financial investment	14.46	101.34	Higher due to: * Flexi deposit: 28 bil.VND * Other short-term investment: from 3.3 bil.VND to 70 bil.VND.
1.3 Receivables	127.46	120.98	
1.4 Inventories	447.42	389.26	Lower due to work in progress (from 446.4 bil.VND to 388.3 bil.VND)
2. Non - current assets	503.89	749.73	
2.1 Fixed assets	48.34	82.08	
2.2 Long-term financial investment	421.35	642.97	Higher due to: - Invest in subsidiary companies (Song Duc Company: 12.2 bil.VND; Gia Duc Company: 4.4 bil.VND) - Contribute capital to cooperate with SAVICO: 27.5 bil.VND; Thong Duc Company: 11.7 bil.VND - Other long-term investment increased to 510.5 bil.VND: * Stock and Bond investment: 344.8 bil.VND (Bonds: 1.8 bil.VND. Listed stocks: 49.4 bil.VND, OTC stocks: 293.6 bil.VND (see attached appendix) * Other long-term investment: 165.6 bil.VND (mainly from business corporate contract)
B. CAPITAL SOURCES			
I. LIABILITIES:	338.55	424.57	
1. Short-term liabilities	192.39	213.75	
1.1 Short-term borrowings	4	14	Because long-term borrowings transferred to short-term borrowings
1.2 Tax and other payables	18.82	50.66	
1.3 Deferred revenue	113.36	122.93	
2. Long-term liabilities	146.15	210.81	Up 10.5% compared with the figure at 30/09/2008 due to other long-term payables, long-term borrowings to invest in TDH – Truong Tho Project
2.1 Other long-term payables	137.28	143.58	
2.2 Long-term borrowings	8.37	66.53	At 31/12/2008, long-term borrowings from bank was 62.1 bil.VND

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CONTENT	1/1/2008	31/12/2008	COMMENT
II. OWNER'S EQUITY:	755.81	1,004.39	
1. Owner's equity	747.72	990.33	
+ Legal capital	170	252.5	Thuduc House issued more 2,250,000 shares to pay second dividend for 2007.
+ Capital surplus	355.83	509.14	
+ Treasury stocks	0	(59.9)	At 31/12/2008, treasury stocks were 1,177,366 shares
+ Investment and development funds	69.89	107.72	
+ Financial provident funds	10.14	21.5	
+ Retained earnings	141.28	158.89	
+ Other funds		0.477	
2. Budget Sources:	8.08	14.05	
+ Bonus and welfare funds	8.08	14.05	
C. PROFIT OF MINORITY SHAREHOLDERS	15.52	15.6	
TOTAL CAPITAL SOURCES	1,109.88	1,444.56	

LIST OF OTC STOCK (By 31/12/2008)

No.	COMPANY	NUMBER OF SHARE	INVESTMENT VALUE	NOTES
I	OTC STOCKS		293,614,662,200	
1	Ho Chi Minh City Securities Corporation (HSC)	1,122,640	26,453,600,000	Foundation shareholder
2	Orient Commercial Bank (OCB)	2,655,650	26,556,500,000	Strategy shareholder
3	Housing Development Commercial J.S Bank (HDB)	6,466,967	64,669,670,000	Strategy shareholder
4	Phuoc Long Investment Joint Stock	937,037	11,219,406,000	Strategy shareholder
5	ThuDuc Water BOO Corporation	5,000,000	50,000,000,000	Foundation shareholder
6	Da Nui Nho Joint Stock	31,781	959,786,200	Investment
7	An Binh Commercial Bank	2,800	28,000,000	Investment
8	Thua Thien Hue Import – Export Joint Stock Company	300,000	4,500,000,000	Strategy shareholder
9	Golden Lotus Securities Corporation	1,466,200	14,662,000,000	Foundation shareholder
10	Viet Long Fund Management	3,000,000	30,450,000,000	TDH bought 1,500,000 shares; the remaining shares mandated by other company.
11	The Civil Engineering Construction & Investment Joint Stock 135	1,728,000	27,936,000,000	Strategy shareholder
12	Phong Phu Corporation	2,700,000	33,779,700,000	Strategy shareholder
13	HCMC Housing Development & Property Business Joint Stock	240,000	2,400,000,000	Foundation shareholder

INFORMATION OF PROJECTS

(As December 31, 2008)

No	Project Name	Total Investment Capital	Area (sqm)	Usage Area (sqm)	Progress
I Current Project					
1	TDH - Truong Tho - HCMC (TDH: 100%)	314 Bil VND	6,994	25,862	* Finished the second storey. * In Q1.2009, 262 apartments will be launched.
2	Cantavil Phase 2 – HCMC (TDH: 40%)	60 Mil USD	11,170	* Apartment: 41,372 sqm * Office & Commercial Center: 13,708 sqm	* Waiting to receive the building license
3	La Sapinette - Da Lat City (TDH: 39%)	120 Bil VND	7,902	* Commercial Center: 7,680 sqm * Hotels: 5,620 sqm	* Finished the construction. Doing the interior - decorative
4	Market B (TDH: 100%)	45 Bil VND	9,202	5,340	* 85% stalls have been signed lease contract.
5	Market C (TDH: 100%)	20 Bil VND	6,278	4,395	* Received the building license * Executing design and construction technique
II Future Project					
1	TDH - Phuoc Binh – HCMC (TDH: 100%)	101,3 Bil VND	2,500	7,300	* Executing design and construction technique
2	TDH - Phuoc Long – HCMC (TDH: 100%)	146 Bil VND	3,573	12,506	* The project is approved. * Executing design and construction technique
3	TDH - Hiep Phu – HCMC (TDH: 100%)	60 Mil USD	11,582	44,319	* Doing design
4	TDH - Binh Chieu – HCMC (TDH: 51%)	422 Bil VND	10,502	36,023	* Amending master plan
5	Minh Khai Street - Ha Noi (TDH: 10%)	94,3 Mil USD	28,726	46,877	* Receiving the certificate of investment
6	Dong Mai Industrial Zone - Ha Noi (TDH:10%)	1,265 Bil VND	2,250,000	na	* Doing design

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No	Project Name	Total Investment Capital	Area (sqm)	Usage Area (sqm)	Progress
7	Gia Kiem Residential and Industrial Zone - Thong Nhat District - Dong Nai province	na	1,000,000	na	* Doing design of master plan 1/2000
8	Phuoc Long B Residential & Commercial Project (TDH: 50%)	1,000 Bil.VND	37,140	na	* Signed business cooperation contract
9	Chan May - Lang Co Project - Hue	150 Mil USD	120,000	na	* Executing surveying
10	Ben Luc - Long An (Phase 2) (TDH: 49%)	234,4 Bil VND	267,000	125,803	* Approved master plan 1/500 * Doing compensation
11	Tam Tan - Cu Chi (TDH: 40%)	1,012 Bil VND	200,000	na	* Doing design
12	Truong Tho 2 (TDH: 90%)	80 Bil VND ⁽¹⁾	14,852	na	* Signed business cooperation contract
13	Phuoc Long A Office Building (Phuc Thinh Wool Factory – TDH cooperates with Vinatexland)	105 Bil VND ⁽²⁾	14,680	na	* Signed business cooperation contract

Notes: (1) & (2): Value Land

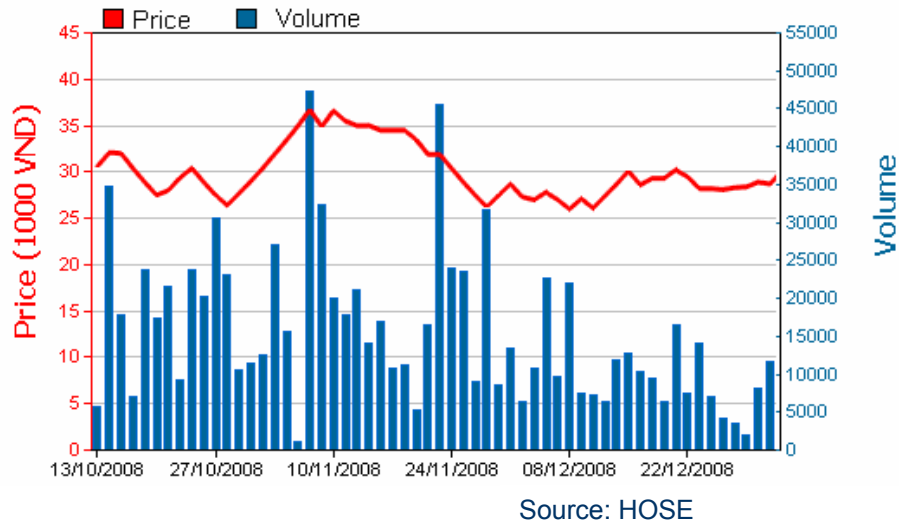
TRADING INFORMATION OF TDH SHARE

STOCK INFORMATION

52 - week high (VND)	142,200
52 - week low (VND)	26,000
Foreign-owned ratio (by Dec 31st, 2008)	36.14%
State-owned ratio (by Dec 31st, 2008)	8.80%
Average Volume (Shares) (Oct 1st, 2008- Dec 31st, 2008)	153,040
Current Listed shares	25,250,000
Current Shares Outstanding	24,072,634
Market Cap. (VND bil.) (31/12/2008)	710

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TRADING OF TDH SHARE FOR Q4/2008



In Q4/2008, price of TDH share was from 26,000 VND/share to 40,500 VND/share with 153,040 shares in volume.

- The maximum trading volume was 473,380 shares on Nov. 6th, 2008.
- The minimum trading volume was 10,560 shares on Nov. 5th, 2008.

INSIDER TRADING AND AFFILIATED PERSON:

❖ The Ho Chi Minh City Investment Fund for Urban Development (HIFU):

- On January 1, 2009, HIFU had announced that HIFU stopped selling TDH shares which they registered to sell 330,000 shares in October 2008. Total current owning volume is 2,244,000 shares.

❖ Vietnam Export Import Commercial Joint Stock Bank (VIETNAM EXIMBANK)

- Owning volume before trading: 935,500 shares (4.07% of THUDUC HOUSE's capital of VND230 billion).
- VIETNAM EXIMBANK's representative in the listed firm: Mr. Ton That Dien Khoa.
- Position: Member of the Board of Supervisors
- Owning volume after trading: 876.150 shares (3.46% of THUDUC HOUSE's capital of VND253 billion)
- Finish date: 24/12/2008

❖ **Phong Duc Construction Co., Ltd.**

- Owing volume before trading: 100,000 shares.
- Representative of Phong Duc in THUDUC HOUSE: Mr. Pham Dinh Khang.
- Position: Member of Board of Directors & Deputy Director General
- Owing volume after trading: 200,000 shares.
- Finish date: 17/11/2008.

❖ **Mr. Thai Bang Au:**

- Owing volume before trading: 15,615 shares.
- Position: Member of the Board of Supervisors.
- Owing volume after trading: 45,615 shares.
- Finish date: 31/10/2008

PROPERTY - FINANCE NEWS

PROPERTY NEWS

5 EVENTS OF REAL ESTATE 2008

The real estate market 2008 faced challenges and difficulties. So, we present 5 events of property market 2008.

1. Real estate price has decreased dramatically

Since April 2008, the commercial banks had tightened credit so property price reduced strongly, especially high-end apartments.

These apartments decreased around 20% - 50%.

2. Foreign Direct Investment (FDI), poured into property market, increased highly.

More than 50% FDI invested in property market (equivalent to 32 billion USD). According to Ministry of Plan & Investment, this figure was more than the registered FDI of 2007 (or more than 20,3 billion USD).

3. Property Transactions through brokerage site.

According to Ministry of Construction, all transactions must be traded via a brokerage site. The aim of this regulation is to increase transparency of the market. It takes effect from 01/01/2009.

To satisfy this regulation, Thuduc House opened the second brokerage site located at 74 Pham Ngoc Thach Street, Ward 6, District 3, HCMC in October 2008. Besides, Thuduc House also has another brokerage site located at 6B Dinh Bo Linh, Binh Thanh District, HCMC.

4. Price of property stocks were adjusted

In 2008, the average price of property stocks were priced at 30,000 VND/ share – 60,000 VND/share even the prestigious and transparent enterprises. P/E reduced at 4 – 5 times.

However, in some specialists' view "Reduction of real estate market and stock market will be a good chance to invest in property stocks".

5. Foreigner are allowed to own apartments in Vietnam

The national assembly approved the project on a five-year trial basis for certain foreign individuals and organizations in a vote on Thursday (22-05-2008). As of January 1st, 2009, foreigners will be allowed to own apartments in Viet Nam for up to 50 years. However, they are not allowed to lease or use the apartments for purposes other than personal use.

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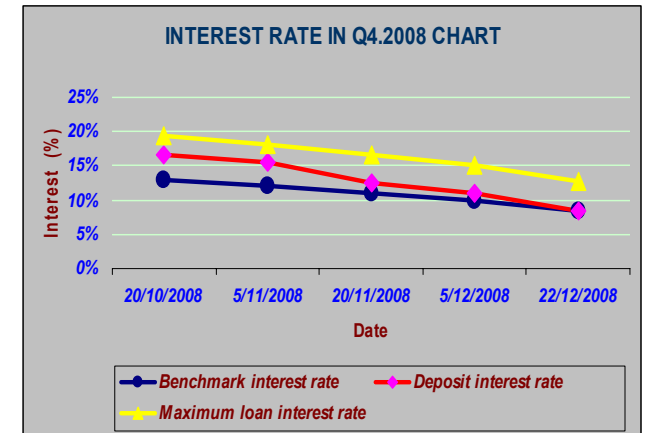
STIMULUS POLICIES FROM GOVERNMENT:

➤ THE CENTRAL BANK REDUCED BENCHMARK INTEREST RATE WITHIN 3 MONTHS

For the last three months of 2008, the Central Bank constantly adjusts the benchmark interest rate. The main target is to impulse the development of economy.

- October 20, 2008: Benchmark interest rate reduced from 14% a year to 13% a year.
- November 5, 2008: Benchmark interest rate was reduced to 12% a year
- November 20, 2008: The Central Bank continued to cut benchmark interest rate to 11% a year
- December 5, 2008: Benchmark interest rate reduced to 10% a year
- December 22, 2008: The Central Bank slashed benchmark interest rate from 10% a year to 8.5% a year.

On February 1, 2009, the Central Bank continued to reduce benchmark interest rate from 8.5% a year to 7% a year.



➤ SMEs WILL BE REDUCED 30% CORPORATE INCOME TAX (CIT) IN Q4/2008 AND 2009.

On January 13th 2009, Finance Ministry issued the circular No.03 reducing the CIT of small and medium enterprises (SMEs) by 30% for Q4/2008 and 2009; and extending the late tax payment. The aim of this reduction is to prevent weakness of economy, keep the growth of economy.

Under the circular No.03, SMEs are enterprises which meet one of two following conditions:

- Legal capital of not more than 10 billion VND states in the business registration certificate or the investment license before 01/01/2009
- The average amount of employees in Q4/2008 does not exceed 300 people excluding employees with labor contract under 3 months.

If the enterprise is entitled to CIT incentives, the amount of tax reduction shall be based on the remaining tax payable after incentives. This circular takes effect after 45 days after its signing.

Based on the circular No.03, Thuduc House and subsidiary companies of Thuduc House will be reduced 30% CIT for Q4/2008 and 2009. Because the forecast average amount of employees of Thuduc House Group in Q4/2008 and 2009 are less than 300 people.

➤ **\$1 BILLION STIMULUS PACKAGE TO SUPPORT 4% IN LENDING RATES:**

On Dec. 23, Minister of Planning and Investment, Vo Hong Phuc said that the VND 17,000 billion or \$1 billion stimulus package is only used to support interest rates for investment projects and programs in 2009 and 2010.

He also said that large infrastructure projects such as highway, airport, seaport; investment projects in agriculture, rural regions, housing for the poor, SMEs will be supported 4% of interest rates in two years 2009 and 2010.

The government plans to offset around 50% of interest rates (equivalent to VND 7,170b) for infrastructure projects in transport and economic zones, 25% (VND 3,585b) for agriculture and rural projects, 5% or VND 717b for social housing and 20% or VND 2,868b for SMEs.

www.ASSET.vn | Source: Vnagency