



PLAN OF BOND ISSUANCE IN 2019
KIS VIETNAM SECURITIES CORPORATION

HCMC, October 2019

I. GENERAL INFORMATION ABOUT KIS VIET NAM SECURITIES CORPORATION**1. Corporation introduction**

- Vietnamese name: **CÔNG TY CỔ PHẦN CHỨNG KHOÁN KIS VIỆT NAM**
- English name: **KIS VIET NAM SECURITIES CORPORATION**
- Abbreviation name: KIS
- Charter capital: VND1.897.011.000.000
- Head office: 3rd Floor, TNR Building, No. 180 - 192 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City
- Landline: (84-24) 3914 8585 Fax: (84-24) 3821 6898
- Email: info@kisvn.vn
- Website: www.kisvn.vn
- Business License No. 56 / UBCK-GPHĐKD issued by the Chairman of the State Securities Commission on July 5, 2007 and the 10th Amendment License No. 42 / GPĐC-UBCK issued by the State Securities Commission on June 11, 2018.
- Operation fields:
 - + Brokerage;
 - + Principle investment;
 - + Securities investment advisory;
 - + Underwriting;
 - + In addition to the above securities business operations, the Company provides securities depository services, financial advisory services, and other financial services as prescribed.

2. Business performance in the last three years:

Items	Unit	31/12/2016	31/12/2017	31/12/2018	30/06/2019
1. Equity	Million VND	1.110.634	1.113.036	1.966.462	2.023.957
2. Earning after tax	Million VND	31.825	2.402	69.181	57.495
3. Solvency					
+ Short-term payment ratio: Short-term assets / Total current liabilities	times	2,25	1,82	3,74	2,31
+ Quick ratio: $\frac{\text{Current assets} - \text{Inventories}}{\text{Total current liabilities}}$	times	2,25	1,82	3,74	2,31
4. Capital structure					
+ Liabilities / Total assets	%	43,74%	53,71%	26,15%	42,47%

+ Liabilities / Equity	Times	0,78	1,16	0,35	0,74
5. Operational capacity					
+ Working capital turnover: Net revenue Average current assets	turn	0,14	0,09	0,12	0,06
+ Net revenue / Total average assets	%	13,72%	9,33%	11,79%	5,42%
6. Profitability ratio					
+ Profit after tax / Net revenue	%	11,90%	1,18%	23,16%	34,35%
+ Profit after tax / Equity	%	2,87%	0,22%	3,52%	2,84%
+ Profit after tax / Total assets	%	1,61%	0,10%	2,60%	1,63%
+ Profit from business activities Net revenue	%	14,72%	3,32%	29,23%	43,06%

Financial safety criteria prescribed by law:

Items	Unit	31/12/2016	31/12/2017	31/12/2018	30/06/2019	By laws
Financial safety ratio	%	410	450	853	783	Over 180%
Liability/ Equity	Times	0,78	1,16	0,35	0,74	Not exceed 3 times
Current liability / Current assets	Times	0,44	0,55	0,27	0,43	Maximum of 1
Residual value of fixed assets / Total assets	%	0,50%	0,50%	1,15%	0,82%	Not exceed 50%
Investment value of unlisted stocks / Equity	%	1,22%	1,22%	0,69%	1,24%	Not exceed 20%

3. The situation of payment of due debts:

KIS Vietnam proactively and fully paid due debts, no overdue debts arising under the audited financial statements of 2016, 2017, 2018 and the first 6 months of 2019. In the last 3 years, The Company did not have debts arising from bond issuance.

The balance of accounts payable at 2016, 2017, 2018 and the first 6 months of 2019, is as follows:

(Unit: Million VND)

	Items	31/12/2016	31/12/2017	31/12/2018	30/06/2019
A	Liability	863.317	1.291.695	696.277	1.494.372
I	Current Liability	863.317	1.291.695	696.277	1.494.372
1	Short-term borrowings and finance lease liabilities	798.000	1.106.701	490.100	1.317.500

1.1	Short-term loans	798.000	1.106.701	490.100	490.100
1.2	Short-term financial assets lease	-	-	-	-
2	Payables for securities trading activities	56.906	171.507	185.839	143.907
4	Payables to supplier	-	-	1.641	1.471
5	Advances from customers	247	82	135	88
6	Taxes and other payable to State Budget	1.865	3.411	6.826	11.197
7	Payable to employees	-	-	5.684	834
8	Bonus and welfare funds	157	189	40	206
9	Short-term payables	6.121	9.767	6.002	19.155
10	Other payables	21	38	10	14
II	Long-term liabilities	-	-	-	-

(Source: audited financial statements for 2017, 2018 and reviewed FS June 30, 2019 of KIS Vietnam)

4. Audit opinion on financial statements for 2018

“The financial statements reflect honestly and reasonably, on the material aspects of the separate financial position of KIS Vietnam Securities Joint Stock Company as at 31 December 2018, as well as the business results separate business result, the situation of separate cash flows and the situation of equity fluctuation for the financial year ending the same day, in accordance with Vietnamese accounting standards, the Vietnamese enterprise accounting regime applied to the Company Securities and legal regulations related to the preparation and presentation of financial statements”.

– Audit opinion for Financial safety ratio report for 2018:

“The financial safety ratio report as at 31 December 2018 was prepared and presented in accordance with the provisions of Circular No. 87/2017 / TT-BTC dated August 15, 2017 of The Ministry of Finance stipulate financial safety norms and handling measures for securities business organizations that fail to meet financial safety criteria and comply with relevant legal provisions.”

II. Purpose of bond issuance:

The total capital from the offering are expected VND100 billion. It will be balanced for brokerage activities, margin trading, proprietary trading/underwriting, and participation in bond market activities, depending on market conditions to ensure efficient use of capital.

III. Legal basis

1. Legal basis:

- Enterprise Law No. 68/2014/QH13 passed by the National Assembly of the Socialist Republic of Vietnam on November 23, 2014;
- Securities Law No. 70/2006/QH11 of June 26, 2006; Law amending and supplementing a number of articles of the Securities Law No. 62/2010 / QH12 dated November 24, 2010;

- Decree 58/2012/ND-CP dated July 20, 2012 of the Government detailing a number of articles of the Securities Law and the Law Amending and Supplementing the Securities Law; Decree No. 60/2015/ND-CP amending and supplementing a number of articles of Decree No. 58/2012/ND-CP dated July 20, 2012;
- Decree 163/2018/ND-CP dated December 4, 2018 of the Government on the Regulation on corporate bond issuance;
- Circular 155/2015/TT-BTC dated 06/10/2015 guiding information disclosure on stock market, effective January 1, 2016;
- Charter on organization and operation of KIS Vietnam Securities Corporation.

2. Conditions for separate bond issuance:

According to Article 10, Decree 163/2018/ND-CP dated December 4, 2018 of the Prime Minister on the Regulation on corporate bond issuance. Accordingly, conditions for issuing bonds are prescribed as follows:

No.	Release conditions	Response	Documentary evidence
1	A joint stock company or a limited liability company established and operating under Vietnamese law	qualified	License No. 56 / UBCK-GPHDKD issued by the Chairman of the State Securities Commission on July 5, 2007 and the 10th Amendment License No. 42 / GPDC-UBCK by the State Securities Commission dated June 11, 2018
2	Having operated for at least 1 year from the first date of issuance of an enterprise registration certificate or business registration certificate or equivalent license according to the provisions of law.	qualified	License No. 56 / UBCK-GPHDKD issued by the Chairman of the State Securities Commission on July 5, 2007 and the 10th Amendment License No. 42 / GPDC-UBCK by the State Securities Commission dated June 11, 2018
3	Having financial statements of the preceding year of the issuance year, audited by a qualified auditing organization as prescribed	qualified	Audited by Ho Chi Minh City Auditing and Informatics Services Co., Ltd. (AISC)
4	Ensure compliance with the limit on the number of investors when issuing, trading bonds as prescribed	qualified	KIS Vietnam is committed to complying with the limit on the number of investors when issuing, trading bonds as prescribed
5	Bond issuance plans are approved by competent authorities as prescribed	qualified	Bond issuance plan is approved by the Board of Directors in accordance with Clause 2, Article 14, Decree 163 of December 4, 2018

6	Full payment for both principal and interest of bonds issued in 03 consecutive years before the bond issue (if any)	qualified	In the 3 years preceding the issuance of this bond, KIS Vietnam has never incurred any bond debt
7	Meeting financial safety ratios and prudential ratios in operation according to specialized laws	qualified	KIS Vietnam is committed to meeting the requirements of capital adequacy ratio and other restrictions of operational safety for conditional business lines prescribed in securities law

3. Competence to approve bond issuance:

According to Point a, Clause 2, Article 14, Decree 163 of December 4, 2018, the competent authority approving this bond issuance plan of KIS Vietnam Securities Corporation is the Board of Directors, based on current Charter of KIS Vietnam Securities Corporation

4. Offering method:

Private offering to under 100 Investors, excluding professional securities investors in the form of direct offering to Investors.

5. Provisions on bond registration and deposit:

Article 16, Decree 163/2018 / ND-CP dated December 4, 2018, provides for bond registration and deposit as follows:

- a) Within 10 working days after the completion of the issuance, corporate bonds must be registered and deposited at an authorized depository organization to manage the number of investors as prescribed in Clause 8, Article 6. Decree 163/2018 / ND-CP dated December 4, 2018. Each type of corporate bond may only be registered at an authorized depository institution;
- b) Depository organizations only certify bond ownership when transactions meet the provisions of Clause 8, Article 6 of Decree 163/2018 / ND-CP dated December 4, 2018;
- c) Depository organizations shall provide information on bond registration and deposit situation to the Stock Exchange under Clause 2, Article 30 of Decree No. 163/2018 / ND-CP of December 4. 2018.

6. Bond issuing process:

Implementation step	Implementation Content
1	Develop a Bond issuance plan
2	KIS competent authority approving this bond issuance plan
3	Announcing information before issuing shares in accordance with the Law on Securities and regulations on bond issuance.
4	Notice of issuance of corporate bonds to the Stock Exchange
5	Investors register and pay money to buy bonds
6	Summarize and report the issuance results to the Stock Exchange
7	To carry out bond depository at KIS Vietnam according to regulations

IV. Bond issuance plan

Issuers:	: KIS Vietnam securities corporation
Type of bonds issuing	: Unconvertible bonds with no collaterals
Name of bond:	: Unconvertible bond KIS Vietnam securities corporation
Symbol:	: KIS_BOND.100.2019
Par value:	: VND100.000.000 /bond
Number of bond offerring:	: 1.000 bonds
The total value of bonds offered for sale:	: VND100.000.000.000 (One hundred billion)
Price:	: 100% par value
Place of issue:	: Domestic
Duration (due date)	: 12 months from the issuing date
Issuance currency:	: VND
Form of Bonds:	: Entries
Offering method:	: Private offering to under 100 Investors, excluding professional securities investors in the form of direct offering to Investors.
Subjects offered for sale:	: Vietnamese organizations and individuals and foreign organizations and individuals.
Insuance time:	: In 2019, after completing the prescribed legal procedures.
Payment of Bond principals and interests:	: - The bond principal will be paid once at maturity. - Bond interest will be paid according to interest period.
Interest period:	: Interest will be paid periodically 06 months/time.
Interest rate:	: Fixed interest rate, not exceeding 8.2%/year until maturity date.
Bond transfer:	: Bonds can only be traded within the range of less than 100 investors, excluding professional investors.
Buy back bonds before maturity:	: Shall not be implemented
Rights of bondholders::	: - To be fully and timely paid by bond issuers with bond principal and interest upon maturity. - Using bonds for transferring, giving, donating, leaving, inheriting, discounting and using bonds as collateral in civil and commercial relations as prescribed by law.
Commitment to fulfill the issuer's obligations:	: - Ensuring bondholders enjoy their lawful rights and interests under the Bonds; - To be responsible for making accurate and timely payment of bond principal and interest as prescribed. - Announcing information fully and in accordance with

the relevant regulations.

Place of issue and payment of bond : KIS Vietnam Securities Corporation; Address: 3rd Floor, principal and interest: TNR Building, No. 180 - 192 Nguyen Cong Tru, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City

Registering, depository bond : Within 10 working days after the end of the issue, corporate bonds must be registered and deposited at a licensed depository organization to manage the number of investors as prescribed in Clause 8, Article 6 of the Decree. 163/2018 / ND-CP dated December 4, 2018.

Governing law: : Vietnam law

For ensuring the success of the offering, the Board of Directors assigns the General Director to perform the following tasks:

- Implementing the bond offering according to the approved plan so that the Company's capital mobilization is carried out legally and in accordance with regulations;
- Seeking and selecting Investors, deciding specific interest rates for each Investor, making plans to use the detailed money gained from the most beneficial offering for the Company;
- Select the most appropriate time to implement the offering plan, and complete the relevant procedures to implement the plan approved by the Board of Directors;
- Signing contracts and other documents related to the offering in compliance with the Company's Operation Regulations and Charter.

V. Business plan and repayment sources arrangement

1. Business plan for 2019 of KIS Vietnam

a) General strategy 2019 with the goal::

- + Market share: 3.10%
- + Total staff: 228 people (Brokerage staff 150 people)

Focus on implementation:

- + Strengthening human resources and expanding business network;
- + Improve existing products and services, develop new products;
- + Management of margin trading loans (regarding limits and securities codes);
- + New products (derivatives, bonds);
- + Promote the number of collaborators.

b) Business plan in 2019:

(Unit: million VND)

Items		Actual 2018	Plan in 2019	% 2019/2018
1	Revenue	302.683	412.158	136,17%
	- Securities brokerage revenue	120.919	174.594	144,39%
	- Corporate financial advisory revenue	414	5.966	1441,06%

	– Revenue from securities dealing	1.340	26.596	1984,78%
	– Other revenue	180.009	205.002	113,88%
2	Business operating expenses	144.448	151.825	105,11%
3	General and admin expenses	70.911	101.450	143,07%
4	Other profits	15	0	0,00%
5	Earning before tax	87.339	158.882	181,91%
6	Corporate income tax expenses	18.435	31.776	172,37%
7	Corporate income tax – deferred	-277	-	
8	Net profit/(loss) after tax	69.181	127.106	183,73%

(Source: KIS Vietnam AGM Resolution 2019)

2. Sources for principal and interest payment:

- Cash of KIS Vietnam at the time of principal and coupon payment;
- Profits from business activities;
- Other legal sources..

HCMC, October 16th, 2019

KIS VIETNAM SECURITIES CORPORATION



Park Won Sang