CREDIT RATING METHODOLOGY

*****

TABLE OF CONTENT

SaigonRatings's methodology analyzes, evaluates the ability and capacity to meet the financial obligations of rated entities, including corporations, financial institutions (issuer), debt instruments and project finance.

Our methodology includes both qualitative and quantitative analysis, to evaluate the basic risk factors and the extent to which they influence the ability to fully and timely meet the financial obligations of the rated entity in terms of industry risks, business risks and enterprise management risk factors (governance risks, strategic risks, human resource risks, market risks and financial risks) and other risks, as assessed by SaigonRatings. This is a standard framework that allows a systematic and comprehensive analysis of the Rated Entity (and/or Debt Instruments) to meet its financial obligations fully and timely.

Credit rating methodologies are developed, researched, applied and gradually improved in terms of the quality; based on the reference to the technical background and practical experiences of the international CRAs (Big Three) and some of Asia's leading CRAs.

SaigonRatings is committed to complying with the principles of Independence & Objectivity, Transparency, Integrity in the Business process system, the internal control system and the code of ethics; and aiming to provide products and services that ensure compliance with the practices and quality standards of international CRAs.

SaigonRatings carries out information disclosure, promulgation and apply the Business process system and Credit rating methodology, to which all analysts and members of rating committee are required to strictly adhere in professional operations, in order to make appropriate credit rating results.

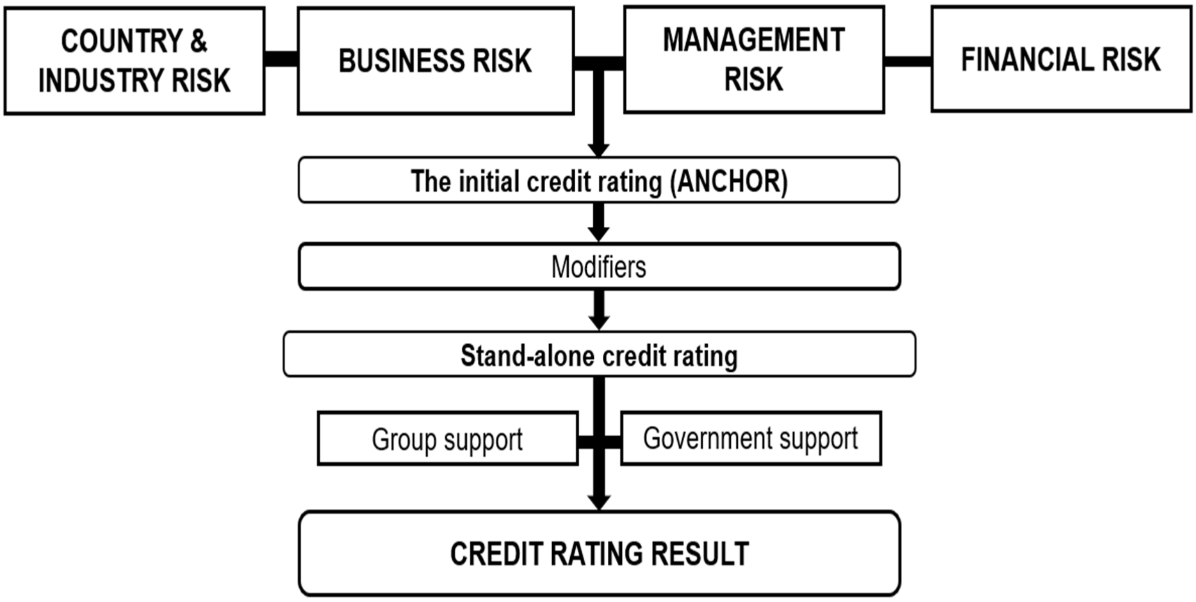
SaigonRatings establishes, promulgates and applies the Business process system and Credit rating methodology systematically and consistently for each type of debt obligations and each industry in the market.

SaigonRatings establishes principles of corporate credit rating analysis on the basis of a general platform and breaks down the task into research, analysis and evaluation of qualitative and quantitative risk factors, so that all of the most important factors which can have influence must be considered objectively, carefully and comprehensively. The most important thing is all analysts must always adhere to the basic principles of analysis and evaluation.

Any opinions about Rated Entities/Debt Instrument provided by SaigonRatings must analyze and consider the material aspects and the extent to which they impact on the ability to meet financial obligations timely and fully. The process of analyzing and evaluating simultaneously considers the differences among enterprises, in order to determine the different influence level of each factor on each entity. From there, appropriate assessments will be made through a combination of qualitative and quantitative analysis.

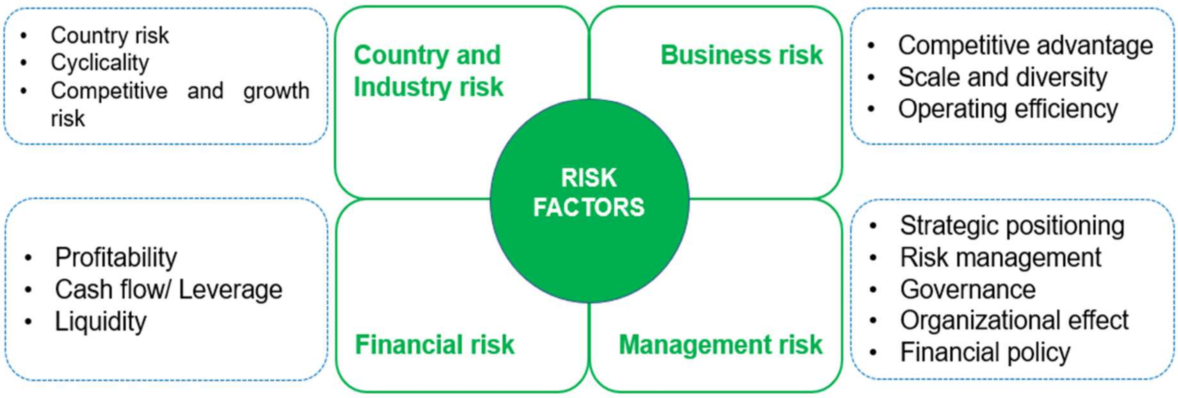
Corporate credit rating methodology starts from the analysis of industry risk factors and business environment in order to consider all the factors that might affect corporates. Next is a comprehensive assessment of risk factors related to business operations, organizational governance and financial indicators; and finally we consider the financial strength of the business. As such, the analytical framework goes from general issues to more specific factors, including risk assessment and analysis of impacts from industry competition, business activities and corporate governance.

Corporate methodology



KEY RISK FACTORS

The key risk factors are evaluated by Saigon Ratings on a scale from 1 (lowest risk) to 6 (highest risk)



1. COUNTRY RISK

We determined the overall country risk assessment according to four factors: Economic risk, institutional and political risk, financial system risk and rule of law risk. These factors are emerged in particular country and affect to corporate credit quality.

The purpose of this methodology is to evaluate the risks that the company faces because of its business or assets placed in one or several countries. The credit rating of each issuer is influenced by country risk factors at different levels.

An analysis of the risks associated with the country should pay special attention to the influence of the legal system and policies set by the government that affect to the business activities. In addition, the analysis includes a support (or not) from the political, legal and financial systems; infrastructure and natural resources and macroeconomic policies.

Each country has its own impact to the business's performance. A combination of the country-specific characteristics and business rules affects to the business's profitability. Eventually, the level of success or failure of doing business depends heavily on the influence of national and macroeconomic management policies.

2. INDUSTRY RISK

Industry risk is more specific to a particular industry. These risks are different from every industry, products and services. All company in the industry face the inherent risks of the industry. These risks probably impact the business at different levels. Therefore, determining the potential impact of each risk on credit quality is very important.

There are two factors for assessing industry risk: "Cyclicality" and "Competitive risk and growth".

1. Cyclicality is evaluated based on hypothetical stress scenarios.

2. Competitive risk and growth addresses to factors as follows:

- Effectiveness of industry barriers.
- Trend of industry profit margins.
- Risk of substitution of products, services and technologies.
- Risk in growth trends.

An analysis evaluates the method in which industry characteristics affect to the company's credit rating. An analysis of how a particular industry impacts to every business concern and its events can affect to competitors and the entire industry.

Industry risk is defined as the influence on business prospects and revenue, market share or financial losses in general as a result of industry changes, business cycles, outdated products, changes of consumer behaviors, new technology, barriers to entry or increase in competition, business cycle and seasonality. These may limit the credit quality of the issuer.

3. BUSINESS RISK

SaigonRatings have performed an influence to the relevant industries. Based on this basic knowledge, the next step is to go deeply into the business operation to understand how it generates cash flows and the ability to fulfill financial obligations. The final business risk analysis results the volatility of a business.

The competition may be based on price strategy, product quality, distribution capacity, brands, product or service differentiation or other factors.

SaigonRatings analysts probably identify key elements to concentrate on evaluating and selecting the most important factors. Assessing the competitors and competitive position of an organization is very important.

Competitive position analysis, in essence, is a comparison a business with their peers. This is the first important step.

All industries have important competitive elements. In order to identify a key to win the marketplace, SaigonRatings analysts don't only focus on the main competitive factors, but also other key underlying factors. For example, if an industry is considered as high competition, assessing its market share is one of our key factors.

In the other hand, assuming there is a competition on price strategy in the market, the key factor will be the cost/expense. When comparing costs, SaigonRatings focuses mainly on the whole enterprise's operation cycle. In other words, SaigonRatings analysts evaluate the effectiveness of the business by seeking information in every its activity and aspect of the profession.

4. FINANCIAL RISK

Financial risk analysis supports the analysis of business risk in some respects. This step demonstrates the value and quality of a business and expresses an expected growth. This can help to describe the motivation of management and financial ability to help businesses withstand the impact in a competitive environment. Finally, it explains the ability of a business to fulfill its debt obligations.

The first task of analysts is to analyze the quantitative risk of the company in order to assess the overall volatility. SaigonRatings analysts will focus on the correlation between volatility, financial performance and business performance.

The key focus of SaigonRatings analysts is to assess the ability of the firm to repay its debt obligations. It is therefore important to consider all aspects of finance area to determine the creditworthiness of a business to fully and timely repay its debt obligations.

To assess the financial risk factor, analysts need to combine the assessment of credit ratios (mainly based on cash flow). The ratios assessed will complement to each other by focusing on different levels of cash flows related to the enterprise's payment obligations.

The company's credit rating may vary widely over time due to economic conditions, competitive factors, technology changes or investment cycles, corporate cycles, business operations or business strategy.

The company's creditworthiness review period is usually five years, including the past two years, the forecast for the current year and the next two financial years. There may be longer or shorter cases depending on factors such as financial capacity, events or other issues.

In addition, the SaigonRatings analysts conduct an analysis of the supporting indicators for a more adequate assessment of financial situation.

Financial risk analysis is the complementation of business risk analysis and is the final step in the rating process. It identifies strengths and weaknesses in the business's operation. It determines the debt obligations and ability to pay timely. Finally, it describes the ability to withstand shocks in a volatile and unpredictable business environment. It involves analyzing ratios, but not just a comparison of numbers. This is a combination of assessing financial performance and risk factors into a consistent assessment of business volatility.

5. MANAGEMENT RISK

The analysis of management and governance addresses how management's strategic competence, organizational effectiveness, risk management, and governance practices shape the issuer's competitiveness in the marketplace, the strength of its financial risk management and the robustness of its governance.

Corporate governance or managements is an important step in the process of analysis and evaluation. This involves business ethics, internal control systems, corporate culture, business strategies and value for shareholders, creditors, employees, business partners and customers. Evaluating corporate governance is not just an evaluation of management; the most important thing is to keep an eye on how the managers solve its business difficulties.

In credit rating, although evaluating the impact of national risk, business environment, industry competition is important but the success or failure of the business depends on the management factor to make the best profitability. It is a difficult challenge for a business management team, especially when compared to other managers with the same challenges. We evaluate this based on the competence profile of management that determines its impact on the credibility of the business.

At this stage, analysts will also perform a qualitative assessment of the business with all potential risks. Accumulated influence from industry risk, business risk and management risk will be gathered, aggregated and analyzed. At this point of time, SaigonRatings analysts will initially set up an assessment on their risk profile: high risk, medium risk or low risk.

The next step is to evaluate the performance and financial profile of the organization. In practice, a good credit rating for financial performance and a business profile should not be made without understanding the level of inherent qualitative risk in the business.

6. ANCHOR

SaigonRatings combines the four main risk factors mentioned above to determine the initial credit rating of the business (anchor). Next, we will adjust this initial credit rating for other key factors to determine the independent credit rating (SACP).

7. MODIFIERS

Diversification/Portfolio effect

This criteria aim to measure the effect of portfolio diversification that can improve the company's anchor with multiple business lines. This method helps us determine how the credit strength of a company with a given mix of business lines could improve based on its diversity.

The competitive position factor evaluates the benefits of its diversity. This factor also measures how poor performance businesses units may influence the overall business risk profile.

Company's anchor is dependent on the diversification and the view of SaigonRatings on the correlation between each business line and economic cycles. This evaluation will have either positive or neutral effect on the anchor. We also consider any factors may have impacts on company's diversification, including the competence of management and governance. We evaluate any potential factor that may weaken a corporation's diversification including poor management.

Factors related to debt obligations

SaigonRatings assesses the impacts of capital structure through 4 factors as follows:

- Currency risk associated with debt;
- Debt maturity profile (or schedule);
- Interest rate risk associated with debt;
- Investments

'Investments' factor will have some impacts on the financial risk profile. Although these do not directly effect to capital structure but investments will determine the safety and financial flexibility of assets.

Other potential factors

SaigonRatings assesses other potential factors in order to reflect the requirements of making adjustments to the result. Potential factors analysis is the final step in determining company's SACP, reviewing company risk profile in order to state out the overall evaluation.

8. STAND-ALONE CREDIT PROFILE

Stand-alone Credit Profile – SACP is an important element of issue rating or issuer credit rating (ICR).

SACP is one part of the rating process which provides information on issuers' creditworthiness. SACP is SaigonRatings's opinion about issuer's creditworthiness in case of absence of extraordinary support or burden.

SACP is measured on the scale from 'vnAAA' to 'vnD'. SaigonRatings emphasizes that SACP is not credit rating and it is only one component of the rating process.

Evaluate from parent company

"Group" and "members of group" defines parent company or ultimate parent company, and all of the enterprises that parent company or ultimate parent company has direct or indirect control.

Assessing overall credit of a group is applied some relevant methodologies for evaluating entities, financial institutions and insurance companies or other type of business.

For conglomerates (including their holding companies), the specific rating methodology is the one relates to operations that have strongest influence on the group's profile. This is dependent on the amount of capital (for example when the financial services affect other activities), earnings and dividends to the holding companies (for groups with significant business activities).

Government policies

SaigonRatings believes that when company is under stressful condition, if there is government's extraordinary support, it can enhance its ability and willingness to satisfy the financial commitments.

Government influence on company can be classified into two aspects. First aspect is when the company under stressful situation, with government support, can the company improve its capacity to meet its maturity? The second aspect is when government is under stress, will the company negatively influenced? If the company meets one of those two requirements, we can determine this company as government-related entity (GRE) and will be assessed based on their own rating criteria.

Company considered as GRE may probably not control by government. However, we expect the degree of support for government ownership and control GRE is higher than other GREs.

9. ANNOUNCEMENT OF NATIONAL AND GLOBAL CREDIT RATING RESULT

In case SaigonRatings conducts the credit rating of the rated entity and publishes national and global credit rating results simultaneously, we will analyze the comprehensive assessment of the complementary factor of national risk.