



Thang Long Securities Joint Stock Company

Report of the Board of Directors and
Audited Financial Statements

for the year ended 31 December 2009

 **ERNST & YOUNG**

Thang Long Securities Joint Stock Company

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Thang Long Securities Joint Stock Company

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Thang Long Securities Joint Stock Company ("the Company") presents this report and the Company's financial statements for year ended 31 December 2009.

THE COMPANY

Thang Long Securities Joint Stock Company is a joint stock company established in Vietnam under Operating License No. 05/GPHĐKD issued by State Securities Commission of Vietnam ("SSC"), dated on 11 May 2000 and Business Registration Certificate No. 0104000003 issued by Hanoi Department of Planning and Investment on 05 June 2000. The Company's operating license was subsequently amended on 01 September 2003, 01 October 2007 and 28 December 2007 (hereafter collectively called "Operating Licenses").

The principal activities of the Company are to provide brokerage service; securities trading; corporate finance and securities investment advisory service; underwriting for securities issuance.

The Company's head office is located on 6th Floor, Toserco Building, 273 Kim Ma Street, Hanoi. The Company also has one branch in Ho Chi Minh City and one branch in Hai Phong City.

RESULTS AND DIVIDENDS

The net profit after tax for the year ended 31 December 2009 was 97,323,499 thousand VND (2008's net profit after tax was 373,160 thousand VND).

In 2009, The Company declared dividends at the rate of 8% (2008: no dividend payment).

EVENTS SINCE THE BALANCE DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

BOARD OF DIRECTORS

The members of Board of Directors during the year 2009 and at the date of this report are:

<u>Name</u>	<u>Position</u>	<u>Date of appointment</u>
Mr. Le Van Be	Chairman	Appointed on 31 December 2007
Mr. Le Dinh Ngoc	Vice Chairman	Appointed on 31 December 2007
Mr. Pham Tuan	Member	Appointed on 31 December 2007
Mr. Pham Viet Thich	Member	Appointed on 31 December 2007
Mr. Trinh Khac Hau	Member	Appointed on 31 December 2007

BOARD OF MANAGEMENT

Members of Board of Management during the year 2009 and at the date of this report are:

<u>Name</u>	<u>Position</u>	<u>Date of appointment</u>
Mr. Le Dinh Ngoc	Chief Executive Officer	Appointed on 02 January 2008
Mr. Trinh Khac Hau	Deputy CEO	Appointed on 02 January 2008
Mr. Quach Manh Hao	Deputy CEO	Temporarily appointed on 01 August 2008

Thang Long Securities Joint Stock Company

REPORT OF THE BOARD OF DIRECTORS (continued)

AUDITORS

The auditors, Ernst & Young Vietnam Limited, have expressed their willingness to accept the reappointment.

STATEMENTS OF BOARD OF MANAGEMENT'S RESPONSIBILITIES WITH RESPECT TO THE FINANCIAL STATEMENTS

The Board of Management is responsible for ensuring that the financial statements for each financial period give a true and fair view of the state of affairs of the Company and of its results and cash flows for the period. In preparing those financial statements, the Board of Management is required to:

- ▶ select the suitable accounting policies and apply them consistently;
- ▶ make judgments and estimates reasonably and prudently;
- ▶ state clearly that whether accounting standards applied for the Company have been followed, subject to any material departures disclosed and explained in financial statement; and
- ▶ prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Board of Management confirms that the Company has complied with the above requirements in preparing the financial statements.

The Board of Management is responsible for ensuring that all proper accounting records are kept which disclose the Company's separate financial position with reasonable accuracy at anytime, and for ensuring that those accounting records comply with the registered accounting system. The Board of Management is also responsible for the safeguarding of the Company's assets, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of the Company's financial position as at 31 December 2009, the results of its operation and cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and accounting policies applicable for securities companies under Decision 95/2000/QĐ-BTC dated 24 October 2000 issued by the Ministry of Finance and comply with relevant statutory requirements.

On behalf of the Board of Directors


Mr. Le Van Be
Chairman

Hanoi, Vietnam

31 March 2010

Reference: 60755036/ 14061633

INDEPENDENT AUDITOR'S REPORT

To: **The Board of Directors
Thang Long Securities Joint Stock Company**

We have audited the balance sheet as at 31 December 2009 of Thang Long Securities Joint Stock Company ("the Company"), the income statement and cash flow statement for the year then ended and the notes thereto ("the financial statements") as set out on pages 4 to 37. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Qualifications

We would like to draw attention to Note III.10 about non-listed fund certificates amounting to 45,525,000 thousand VND. Due to the adverse economic conditions, as at 31 December 2008, these investments have been impaired. Based on the available information in the market, the provision for impairment of these investment were estimated at 17,239,275 thousand VND. However, the Company had not recorded such provision for impairment. Should the provision have been made in 2008, net income of 2008 would have been reduced by 17,238,275 thousand VND and net profit before tax of 2009 would have been increased by the same amount.

Opinion

In our opinion, except for the matter discussed in preceding paragraph, the accompanying financial statements give a true and fair view, in all material aspects, of the financial position of the Company as at 31 December 2009, the results of its operation and the cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and accounting policies prescribed under Circular 95/2008/TT-BTC by Ministry of Finance on 24 October 2008 and in compliance with relevant statutory requirements.



Ernst & Young Vietnam Ltd.

Vo Tan Hoang Van

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

Hanoi, Vietnam

1 March 2010

Vo Xuan Minh

Vo Xuan Minh
Auditor in charge
Registered Auditor
Certificate No: 0923/KTV

BALANCE SHEET
as at 31 December 2009

Currency: VND'000

Code	ASSETS	Notes	31 December 2009	31 December 2009
100	A. CURRENT ASSETS		4,181,979,955	1,276,831,105
110	I. Cash and cash equivalents	III.1	1,019,341,798	243,572,340
111	1. Cash on hand		849,341,798	151,299,840
112	2. Cash equivalents		170,000,000	92,272,500
120	II. Short-term financial investments	III.3	1,227,666,550	252,229,589
121	1. Short-term investment securities		1,291,818,907	301,015,456
129	2. Provision for impairment of short-term investment securities		(64,152,357)	(48,785,867)
130	III. Receivables		1,924,104,680	773,915,847
131	1. Receivables from investors	III.4	1,884,852,723	745,512,645
132	2. Advances to suppliers		106,710	774,308
133	3. Internal receivables		-	-
135	4. Receivables from securities trading activities		58,818	233,045
138	5. Other receivables	III.5	39,300,333	28,285,842
139	6. Provision for doubtful debts		(213,904)	(889,993)
140	IV. Inventory		118,796	-
150	V. Other current assets		10,748,131	7,113,329
151	1. Short-term prepaid expenses	III.6	8,277,031	1,676,687
152	2. Deductible VAT		-	-
154	3. Tax and other receivables from the State		-	-
158	4. Other current assets	III.7	2,471,100	5,436,642

The accompanying notes from I to IV form part of the financial statements.

BALANCE SHEET (continued)
as at 31 December 2009

Currency: VND'000

Code	ASSETS	Notes	31 December 2009	31 December 2008
200	B. NON-CURRENT ASSETS		463,542,412	665,139,032
210	I. Long-term receivables		-	-
220	II. Fixed assets	III.8	34,359,238	30,260,739
221	1. Tangible fixed assets		22,899,894	24,944,111
212	Cost		42,825,130	34,463,447
213	Accumulated depreciation		(19,925,236)	(9,519,336)
217	2. Intangible fixed assets		8,542,894	5,316,628
218	Cost		12,756,766	7,087,990
219	Accumulated depreciation		(4,213,872)	(1,771,362)
	3. Fixed asset acquisition		2,916,450	-
240	III. Investment properties	III.9	114,913,980	174,413,980
	Cost		114,913,980	174,413,980
	Accumulated depreciation		-	-
250	IV. Long-term financial investments		269,620,045	454,818,932
253	1. Long-term investment securities	III.10	215,025,639	349,173,932
254	Available-for-sale securities		215,025,639	349,173,932
	Held-to-maturity securities		-	-
258	2. Other long-term investments	III.11	76,235,000	105,645,000
259	3. Provision for impairment of long-term investment securities	III.10	(21,640,594)	-
260	V. Other long-term assets		44,649,149	5,645,381
261	1. Long-term prepaid expenses	III.12	36,630,523	-
	2. Deferred tax asset		-	-
	3. Advance to Settlement Assistance Fund	III.13	5,685,436	3,587,866
242	4. Other long-term assets		2,333,190	2,057,515
270	TOTAL ASSETS		4,645,522,367	1,941,970,137

The accompanying notes from I to IV form part of the financial statements.

BALANCE SHEET (continued)
as at 31 December 2009

Currency: VND'000

Code	LIABILITIES AND OWNERS' EQUITY	Notes	31 December 2009	31 December 2008
300	A. LIABILITIES		3,670,264,530	1,501,674,133
310	I. Current liabilities		3,501,924,811	930,050,679
311	1. Short-term loans and debts	III.15	2,615,950,200	630,000,000
312	2. Payables to suppliers		1,235,962	6,007,559
313	3. Advances from customers		972,662	669,000
314	4. Statutory obligations	III.14	12,413,522	1,447,091
315	5. Payables to employees		1,469,141	-
316	6. Accrued expenses	III.16	44,268,049	47,233,084
317	7. Internal payables		-	-
320	8. Payables in securities trading activities	III.17	782,288,491	227,197,809
321	9. Dividends, principal and interest payables	III.18	39,200,447	13,004,797
322	10. Payables to securities issuers		2,883,608	3,730,584
328	11. Other payables		1,242,729	760,755
329	12. Provisions of short-term payables		-	-
330	II. Non-current liabilities		168,339,719	571,623,454
331	1. Long-term payables to suppliers		-	-
332	2. Long-term internal payables		-	-
333	3. Other long-term payables	III.19	68,225,000	71,403,140
334	4. Long-term loans and debts	III.20	100,000,000	500,000,000
336	5. Provision for termination allowances		114,719	220,314
339	6. Provision for indemnity to investors		-	-
400	B. OWNERS' EQUITY	III.21	975,257,837	440,296,004
410	I. Initial capital		975,010,001	439,242,249
411	1. Share capital		800,000,000	420,000,000
412	2. Surplus capital		121,000,000	-
413	3. Other capital		-	-
414	4. Treasury shares		-	-
415	5. Asset revaluation reserve		-	-
416	6. Foreign currency revaluation reserve		-	-
417	7. Investment and development fund		-	988,985
418	8. Other reserves		21,568,279	17,814,755
419	9. Other funds		-	-
420	10. Retained earnings		32,441,722	438,509
430	II. Bonus and welfare funds		247,836	1,053,755
440	TOTAL LIABILITIES AND OWNERS' EQUITY		4,645,522,367	1,941,970,137

The accompanying notes from I to IV form part of the financial statements.

BALANCE SHEET (continued)
as at 31 December 2009

OFF-BALANCE SHEET ITEMS

Currency: VND'000

Code	ITEMS	31 December 2009	31 December 2008
001	1. Leased fixed assets	-	-
002	2. Pledged materials and valuable papers	986,980,820	743,943,420
003	3. Security assets	-	-
004	4. Bad debts written off	-	-
005	5. Foreign currency	-	-
006	6. Custody securities	2,254,628,080	6,002,772,660
	<i>In which</i>		
007	6.1. Trading securities	1,966,359,070	5,926,870,770
008	6.1.1. Tradable securities of custody members	151,276,010	99,552,100
009	6.1.2. Tradable securities of local investors	1,762,031,690	5,814,039,260
010	6.1.3. Tradable securities of foreign investors	53,051,370	13,279,410
011	6.1.4. Tradable securities of other organizations	-	-
012	6.2. Temporarily untradeable securities	277,295,960	55,241,100
	6.2.1. Temporarily untradeable securities of custody members	-	2,128,950
013			
014	6.2.2. Temporarily untradeable securities of local investors	254,993,960	40,587,010
	6.2.3. Temporarily untradeable securities of foreign investors		
015		22,302,000	12,525,140
	6.2.4. Temporarily untradeable securities of other organizations	-	-
016			
017	6.3. Mortgaged	1,647,350	20,660,790
018	6.3.1. Mortgaged securities of custody members	-	2,440,500
019	6.3.2. Mortgaged securities of local investors	1,647,350	18,220,290
020	6.3.1. Mortgaged securities of foreign investors	-	-
021	6.3.1. Mortgaged securities of other organizations	-	-
022	6.4. Temporarily withhold securities	-	-
027	6.5. Securities awaiting for settlement	-	-
	6.5.1. Securities awaiting for settlement of custody members	-	-
028			
029	6.5.2. Securities awaiting for settlement of local investors	-	-
030	6.5.3. Securities awaiting for settlement of foreign investors	-	-
	6.5.4. Securities awaiting for settlement of other organizations		
031		-	-
032	6.6. Frozen securities	-	-
037	6.7. Securities awaiting for trading	9,325,700	-
038	6.7.1. Securities awaiting for trading of custody members	-	-
039	6.7.2. Securities awaiting for trading of local investors	8,462,880	-
040	6.7.3. Securities awaiting for trading of foreign investors	862,820	-
041	6.7.4. Securities awaiting for trading of other organizations	-	-
042	6.8. Deposited securities guaranteed for loans	-	-


The accompanying notes from I to IV form part of the financial statements.


BALANCE SHEET (continued)
as at 31 Dec 2009

OFF-BALANCE SHEET ITEMS (continued)

Currency: VND'000

Code	ITEMS	31 December 2009	31 December 2008
050	7. Custody securities of unlisted public company	-	-
	<i>In which:</i>		
051	7.1. Trading securities	-	-
052	7.1.1. Tradable securities of custody members	-	-
053	7.1.2. Tradable securities of local investors	-	-
	7.2. Temporarily untradeable securities	-	-
	7.2.1. Temporarily untradeable securities of custody members	-	-
058	7.2.2. Temporarily untradeable securities of local investors	-	-
061	7.3. Mortgaged securities	-	-
071	7.5. Securities awaiting for settlement	-	-
072	7.5.1. Securities awaiting for settlement of custody members	-	-
073	7.5.2. Securities awaiting for settlement of local investors	-	-
076	7.6. Frozen securities	-	-
081	7.7. Securities held for error correction	-	-
	8. Not-yet-custody securities	109,864,300	122,619,590
	Total off-balance sheet items	3,351,473,200	6,869,335,670


Ms. Trương Tú Anh
Chief Accountant


Mr. Lê Đình Ngọc
Chief Executive Officer

Hanoi, Vietnam


31 March 2010

The accompanying notes from I to IV form part of the financial statements.

INCOME STATEMENT
for the year ended at 31 December 2009

Currency: VND'000

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from securities trading		676,922,453	346,475,642
	<i>In which:</i>			
01.1	Revenue from brokerage services		192,133,063	35,021,105
01.2	Revenue from securities trading and investments	III.22	176,879,929	80,859,230
01.3	Revenue from securities underwriting services		5,177,441	700,241
01.4	Revenue securities issuance agency services		80,327	49,918
01.5	Revenue advisory services		4,541,503	3,120,728
01.6	Revenue from securities custody services		4,999,094	1,765,860
01.7	Revenue from entrusted auction services		-	-
01.8	Revenue from property lease		1,209,350	147,803
01.9	Other revenue	III.23	291,901,746	224,810,757
02	2. Deductions		(665,347)	(1,993,015)
10	3. Net revenues		676,257,106	344,482,627
11	4. Operating expenses	III.24	(536,008,870)	(323,245,596)
	<i>In which:</i>			
	Direct operating and securities trading expenses		(499,677,876)	(279,299,962)
	Securities provision expense		(36,330,994)	(43,945,634)
20	5. Gross profit		140,248,236	21,237,031
25	6. General and administrative expenses		(31,840,403)	(20,866,914)
30	7. Net profit from operating activities		108,407,833	370,117
31	8. Other income		303	7,219
32	9. Other expenses		-	(4,176)
30	10. Other profit		303	3,043
50	11. Profit/(loss) before tax		108,408,136	373,160
51	12. Current enterprise income tax	III.14	(11,084,637)	-
52	13. Deferred enterprise income tax		-	-
60	14. Net profit after tax		97,323,499	373,160
90	15. Basic earnings per share		1.959	0.010


Ms. Trương Tu Anh
Chief Accountant

Hanoi, Vietnam

31 March 2010




Mr. Lê Đình Ngọc
Chief Executive Officer

The accompanying notes from I to IV form part of the financial statements.

CASH FLOW STATEMENT
for the year ended at 31 December 2009

Currency: VND'000


Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		108,408,136	373,160
	Adjustments for:			
02	Depreciation of fixed assets	III.8	12,965,499	8,376,890
03	Provisions		36,330,994	43,945,634
05	Gain/(loss) from investment activities		(310,380,466)	(250,466,576)
06	Interest expenses	III.24	186,750,003	179,944,152
	Operating income before changes in working capital		34,074,166	(17,826,740)
09	(Increase)/decrease in receivables		(1,138,567,957)	528,757,699
10	(Increase)/decrease in inventory		(444,543,479)	99,427,326
11	Increase/(decrease) in payables (excluding accrued interest and income tax payable)		580,580,031	(504,372,414)
12	(Increase)/decrease in prepaid expenses		(43,230,867)	(768,512)
13	Interest paid		(177,578,180)	(148,651,710)
14	Enterprise income tax paid	III.14	(966,154)	(15,277,387)
15	Other cash inflows		-	5,132,911
16	Other cash outflows		(6,980,289)	-
20	Net cash flow from/(used in) operating activities		(1,197,212,729)	(53,578,827)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	III.8	(14,147,548)	(195,038,761)
22	Receipts from fixed asset and other non-current asset disposal	III.8		501,771
25	Payments for investments in associates	III.9	59,617,089	(5,000,000)
26	Collections from investments in associates		2,990,000	-
27	Investment income received		301,684,125	246,619,620
28	Investment in long-term securities		134,148,293	(121,923,932)
29	Investment in other activities		(546,259,972)	(48,733,400)
30	Net cash flow from investing activities		(61,968,013)	(123,574,702)


The accompanying notes from I to IV form part of this financial statements

CASH FLOW STATEMENT (continued)
for the year ended at 31 December 2009

Currency: VND'000

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOW FROM FINANCING ACTIVITIES			
31	Proceeds from share issuance, capital contribution	III.21	501,000,000	120,000,000
33	Loans drawn down		1,985,950,200	330,000,000
34	Loan repayments		(400,000,000)	(405,898,581)
36	Dividend and profit paid to shareholders	III.21	(52,000,000)	(59,897,958)
40	Net cash flows from financing activities		2,034,950,200	(15,796,539)
50	Net increase/(decrease) in cash and cash equivalents during the year		775,769,458	(192,950,068)
60	Opening cash and cash equivalent balance		243,572,340	436,522,408
70	Ending cash and cash equivalent balance		1,019,341,798	243,572,340


Ms. Truong Tu Anh
Chief Accountant


Mr. Le Dinh Ngoc
Chief Executive Officer

Hanoi, Vietnam

31 March 2010

The accompanying notes from I to IV form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2008

I. THE COMPANY

Thang Long Securities Company ("the Company") is a joint stock company established in Vietnam.

Operation

The Company is a joint stock company established in Vietnam under Operating License No. 05/GPHDKD issued by State Securities Commission of Vietnam ("SSC"), dated on 11 May 2000 and Business Registration Certificate No. 0104000003 issued by Hanoi Department of Planning and Investment on 05 June 2000. The Company's operating license was subsequently amended on 01 September 2003, 01 October 2007 and 28 December 2007 ("hereafter collectively called Operating Licenses").

The principal activities of the Company are to provide brokerage service; securities trading; corporate finance and securities investment advisory service; underwriting for securities issuance.

Chartered capital

The Company's initial chartered capital according to Business Registration Certificate No. 0104000003 issued by Hanoi Department of Planning and Investment dated on 05 June 2000 was 9,000,000 thousand VND. The chartered capital has been supplemented over time in compliance with amended operating licenses. As at 31 December 2008, the Company's total chartered capital was 800,000,000 thousand VND (2008: 420,000,000 thousand VND).

During 2009, additions to the Company's chartered capital are presented as followed:

<i>Increased chartered capital (thousand VND)</i>	<i>Approved in</i>	<i>Date</i>
650.000.000	Decision 256/UBCK-GP	3 September 2009
800.000.000	Decision 291/UBCK-GP	24 December 2009

Board of Directors

The members of Board of Directors during the year 2009 and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Le Van Be	Chairman	Appointed on 31 December 2007
Mr. Le Dinh Ngoc	Deputy-Chairman	Appointed on 31 December 2007
Mr. Pham Tuan	Member	Appointed on 31 December 2007
Mr. Pham Viet Thich	Member	Appointed on 31 December 2007
Mr. Trinh Khac Hau	Member	Appointed on 31 December 2007

Board of Management

Members of Board of Management during the year 2009 and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Le Dinh Ngoc	Chief Executive Officer	Appointed on 02 January 2008
Mr. Trinh Khac Hau	Deputy CEO	Appointed on 02 January 2008
Mr. Quach Manh Hao	Deputy CEO	Temporarily appointed on 01 August 2008

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

I. **THE COMPANY** (continued)

Board of Supervisory

Members of the Board of Supervisory during the year 2009 and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Ms. Le Thu Van	Head of the Board of Supervisory	Appointed on 31 December 2007
Ms. Doan Thi Nhu Y	Member	Appointed on 24 April 2009
Ms Tham Thi Thuy	Member	Appointed on 31 December 2007

Location and network

The Company's head office is located on 6th Floor, Toserco Building, 273 Kim Ma Street, Hanoi. As at 31 December 2008, the Company has one (01) Head Office, one (01) branch in Hochiminh City and one (01) branch in Haiphong City

Employees

The total employees of the Company as at 31 December 2009 were 310 employees (2008: 228 people).

II. **SIGNIFICANT ACCOUNTING POLICIES**

1. **Basis of presentation**

The financial statements of the Company, which are presented in thousand of Vietnamese dong ("thousand VND" or "VND'000"), are prepared in accordance with the accounting policies for securities companies as stipulated in the Circular No. 95/2008/TT-BTC dated 24 October 2008 by Minister of Ministry of Finance (in replacement of Decision No. 99/2000/QD-BTC dated 13 June 2000 by Ministry of Finance and Vietnam Accounting Standards issued by the Ministry of Finance as per the:

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

The year 2009 is the first year the Company applies the Circular No. 95/2008/QD-BTC dated 24 October 2008 by the Ministry of Finance promulgating accounting policies for securities companies.

The Company maintains its accounting records in Vietnamese currency.

The accompanying balance sheet, income statement, statement of cash flows and related notes, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and territories other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

II. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2. **Registered accounting documentation system**

The registered accounting documentation system is the General Journal.

3. **Fiscal year**

The Company's fiscal year starts on 1 January and ends on 31 December.

4. **Cash and cash equivalents**

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

5. **Receivables**

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, along with the provision for doubtful debts.

The provision for doubtful debts represents the estimated loss due to non-payment arising on receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recorded as general and administrative expense in the income statement during the year.

The Company creates the provision for doubtful debts in accordance with Circular No 228/2009/TT-BTC by Ministry of Finance dated 7 December 2009. Accordingly, the provision rates for the doubtful debts are applied as follows:

<i>Overdue time</i>	<i>Provision rate</i>
From 6 months to less than 1 year	30%
From 1 year to less than 2 years	50%
From 2 years to less than 3 years	70%

6. **Fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

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

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

II. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

7. ***Depreciation and amortization***

Depreciation and amortization of tangible and intangible fixed assets are calculated on a straight-line depreciation basis over the estimated useful life of each asset in accordance to Decision No. 206/2003/QĐ-BTC dated 12 December 2003 by Ministry of Finance, as follows:

Machinery	3 - 6 years
Vehicle	6 years
Building	5 - 6 years
Computer software	3 - 4 years
Others	3 years

8. ***Operating lease***

Rentals under operating leases are charged to income statement on a straight-line basis over the term of the leasing contract

9. ***Securities investments and provision for impairment of securities***

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

Trading securities and long-term securities

Trading securities and long-term securities are initially recorded at cost. Dividends received and debt securities' interests received are recorded as a deduction in carrying value for the portion incurred before the purchasing date and as an investment income for the portion incurred since the purchasing date.

Subsequently, the securities are carried at cost less provision for diminution in value or impairment if any.

Provision for value diminution of securities

Provision for value diminution is made for individual stock having market values lower than book values.

The market prices of listed securities are determined based on the price on stock markets (which are the average prices on Hanoi Stock Exchange and the closing prices on Hochiminh Stock Exchange) as at 31 December 2009.

The market prices of unlisted securities are determined based on the prices publicly quoted by at least three prestigious large-scaled securities companies on the stocks market and security magazines. For securities whose market price was unable to be determined, are recorded at cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

II. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

10. **Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specified future date ("repos") are not derecognized from the financial statements. The corresponding cash received is recognized as a liability in the balance sheet. The difference between the selling price and repurchasing price is recognized as an expense or an asset pending allocation and is allocated to the income statement over the life of the agreement using the straight-line method.

Conversely, securities purchased under agreements to resell at a specified future date ("reverse repos") (if any) are not recognized on the financial statements. The corresponding cash paid is recognized as an asset in the balance sheet. The difference between the purchasing price and reselling price is recognized as an income or a liability pending allocation and is allocated to the income statement over the life of the agreement using the straight-line method.

11. **Payables and accrued expenses**

Payables and accrued expenses are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company.

12. **Foreign currency-based transactions**

Transactions in currencies other than the reporting currency of the Company are recorded using exchange rates ruling at the transaction date.

At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at inter-bank exchange rates ruling at the balance sheet date. Difference in foreign currency translation is recorded in accordance with the Circular 201/2009/TT-BTC issued by the Ministry of Finance on 15 October 2009. According to the Circular, realised foreign exchange differences during the year are recognised in the income statement. All unrealised foreign exchange differences arising from the translation of cash on hand and cash at bank, cash in transit, and short-term liabilities which have term of less than one year, denominated in foreign currencies as at the balance sheet date are taken to the "Foreign exchange differences reserve" account in the equity section of the balance sheet and reversed in the following year. All unrealised foreign exchange differences arising from the translation of long-term receivables and unrealised gain from the translation of long-term payables in foreign currencies are charged to the income statement. All unrealised loss from the translation of long-term payables in foreign currencies are charged to the income statement as long as the charging does not result in net loss before tax for the Company. In such cases, the portion chargeable to the income statement is the higher of i) the amount the charging of which does not result in net loss before tax for the Company and ii) the foreign exchange loss arising from the translation of the current portion of the long-term liabilities. The remaining portion of the foreign exchange losses can be deferred in the balance sheet and allocated to the income statement within the subsequent five years.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

II. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

13. **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from services provision

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

Revenue from trading securities

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

Interest

Interest income is recognized in the income statement on accrual basis.

Dividend

Income is recognized when the Company's entitlement as an investor to receive the dividend is established.

14. **Cost of securities sold**

The company applies weighted average method to calculate cost of trading securities sold.

15. **Enterprise income tax**

Current tax

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

Current income tax are recorded to income statement except to income tax relevant to item subject to owner equity, in this case, current income tax is directly recorded to owner's equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

II. SIGNIFICANT ACCOUNTING POLICIES (continued)

15. Enterprise income tax (continued)

Current tax (continued)

Enterprises only can offset redeemable current tax assets and payables when they are entitled to net off current income tax asset with current income tax payable and they intend to pay these items based on net basis.

Deferred tax

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

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

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

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

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

II. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

16. **Reserves**

Profit after tax is distributed in accordance with Circular No. 11/2000/TT-BTC issued by Ministry of Finance date 1 February 2000 as follows:

	<u>Percentage of profit after tax</u>	<u>Maximum level</u>
Capital supplementary reserve	5%	10% of chartered capital
Statutory reserve	5%	10% of chartered capital

Other reserves and funds are created in accordance with resolutions of shareholders' meetings.

17. **Comparative data**

Starting from 2009, the Company has adopted Circular No. 95/2008/TT-BTC in preparing its financial statements. Some items presented in financial statements for the year 2008 therefore have been restated in accordance with Circular No. 95/2008/TT-BTC.

18. **Employee benefits**

Employee benefits: Post employment benefits are paid to retired employees of the Company by the Social Insurance Agency which belongs to the Ministry of Labor, Invalids and Social Affairs. The Company is required by the Law to contribute to these post employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 15% of employee's basic salaries on a monthly basis. The Company has no further obligation concerning post employment benefits for its employees other than this.

Voluntary resignation and retrenchment benefits

Voluntary resignation benefits: under Section 42 of the Vietnam Labor Code amended on 2 April 2002, the Company has the obligation to pay allowance arising from voluntarily resignation of employees, equal to one-half month's salary for each year of employment plus salary allowances (if any).

Retrenchment benefits: the Company has the obligation, under Section 17 of the Vietnam Labor Code, to pay allowance to employees who are retrenched as a result of organizational restructuring or technological changes. In such case, the Company shall pay to employees an allowance for loss of work equivalent to the aggregate amount of one month's salary for each year of employment.

While the obligations under Sections 17 and 42 are compulsory, the implementation of these Sections is subject to detailed guidance issued by the Ministry of Finance in implementing circulars. In accordance with Circular 64/1999/TT-BTC dated 7 June 1999 and Circular 82/2003/TT-BTC dated 14 August 2003 by the Ministry of Finance which superseded Circular 64/1999/TT-BTC, enterprises are required to calculate retrenchment allowance at rate of from 1% to 3% per annum on the basic salary of the employees.

Severance insurance: according to Social Insurance Law and Decree No. 127/2008/NĐ-CP dated 12 December 2008, severance insurance is applied since 01 January 2009. Accordingly, the employee pays at the rate of 1% of basic salary, employer pays at the rate of 1% of basic salary of the employee joining the severance insurance and the State supports at the rate of 1% of basic salary of the employee joining the severance insurance from the state budget.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS

III.1 Cash and other cash equivalents

	<i>Ending balance</i> VND'000	<i>Opening balance</i> VND'000
Cash on hand	351,758	422,002
Cash at banks		
<i>In which :</i>	846,056,507	146,774,230
<i>Bank accounts of the Company</i>	63,768,016	19,434,028
<i>Bank accounts for securities trading of investors</i>	782,288,491	127,340,202
Bank deposits from issuing shares	2,933,533	4,103,608
Cash equivalents	170,000,000	92,272,500
	<u>1,019,341,798</u>	<u>243,572,340</u>

III.1.1 Bank accounts of the Company

	<i>Ending balance</i> VND'000	<i>Opening balance</i> VND'000
Military JS Commercial Bank	59,908,287	18,920,975
Bank for Investment and Development of Vietnam	3,715,774	438,112
Vietcombank	52,984	31,837
An Binh JS Commercial Bank	16,758	11,477
Vietnam Bank for Agricultural and Rural Development	60,205	10,909
Other banks	14,008	20,718
	<u>63,768,016</u>	<u>19,434,028</u>

III.1.2 Bank accounts for securities trading of investors

	<i>Ending balance</i> VND'000	<i>Opening balance</i> VND'000
Military Commercial JS Bank	714,206,443	119,193,854
Bank for Investment and Development of Vietnam	66,491,576	8,019,659
Vietnam Bank for Industry and Trade	1,461,980	-
Vietnam Bank for Agricultural and Rural Development	128,492	126,689
	<u>782,288,491</u>	<u>127,340,202</u>

III.1.3 Cash equivalents

	<i>Ending balance</i> VND'000	<i>Opening balance</i> VND'000
Cement Finance JS Company	-	12,000,000
Ocean Commercial JS Bank	-	25,000,000
Saigon Commercial JS Bank	-	15,000,000
Military Commercial JS Bank	15,000,000	40,272,500
Vietnam International Commercial JS Bank	35,000,000	-
Bac A Commercial JS Bank	55,000,000	-
Trust Commercial JS Bank	35,000,000	-
Song Da Finance JS Company	30,000,000	-
	<u>170,000,000</u>	<u>92,272,500</u>

Cash equivalents are term deposits under 3 months at other financial institutions with interest ranging from 8% to 13% p.a (2008: from 6.45% to 13.9% p.a)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.2 Value and trading volume result in the year

	<i>Volume of trading in the year</i>	<i>Value of trading in the year VND'000</i>
1. The Company	106,352,663	5,843,815,818
- Shares	91,652,663	4,354,081,118
- Bonds	14,700,000	1,489,734,700
- Others (investment fund certificates)	-	-
2. Investors	2,631,172,791	127,555,222,014
- Shares	2,364,570,522	106,679,675,480
- Bonds	193,381,029	19,890,566,460
- Others (investment fund certificates)	73,221,240	984,980,074
	2,737,525,454	133,399,037,832

III.3 Short-term financial investments

	<i>Ending balance VND'000</i>	<i>Opening balance VND'000</i>
Trading securities	623,034,935	178,491,456
Other short-term investments	668,783,972	122,524,000
	1,291,818,907	301,015,456
Provision for trading securities	(64,152,357)	(48,785,867)
	1,227,666,550	252,229,589

III.3.1 Trading securities

	<i>Ending balance VND'000</i>	<i>Opening balance VND'000</i>
Trading securities		
Listed securities	519,558,215	125,266,884
Bonds	103,476,600	53,224,452
Fund certificates	120	120
	623,034,935	178,491,456
Provision for trading securities		
Listed shares	(64,152,357)	(48,785,867)
	(64,152,357)	(48,785,867)

Provision for impairment is made for individual stocks which have market values lower than book values.

The market prices of listed securities are determined based on the price on stock markets (which are average prices on Hanoi Stock Exchange and the closing prices on Ho Chi Minh Stock Exchange) as at 31 December 2009.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.3 Short-term financial investments (continued)

III.3.2 Other short-term investments

	<i>Ending balance</i> VND'000	<i>Opening balance</i> VND'000
Short-term investments of the Company		
1. Bilateral contract with Vinh Loc Investment and Trading JS Company (*)	19,000,000	-
2. Bilateral contracts with Thang Long Investment JS Company (**)	239,147,900	-
3. Investment shares under trusted contract with Thang Long Investment JS Company	11,158,000	22,524,000
4. Multilateral contracts providing financial support to investors (***)	399,478,072	-
Short-term investments according to cooperation contract in securities trading		
Bills of Saigon Commercial JS Bank	-	100,000,000
	668,783,972	122,524,000

(*): Bilateral contract with Vinh Loc Investment and Trading JS Company is an investment in listed shares where income from the portfolio is distributed to parties on a pro rata basis. As at 31 December 2009, the portfolio has no signal of impairment, thus, is presented at cost.

(**): Bilateral contracts with Thang Long Investment JS Company are those from which the Company earns fixed interest at 10.2% to 30% annually.

(***): Multilateral contracts providing financial support to investors prescribes that the Company transfers capital to Thang Long Investment JS Company to perform repurchase transactions with investors. The Company is entitled for a fixed fee on these contracts.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.4 Receivables

	<i>Ending balance</i> VND'000	<i>Opening balance</i> VND'000
Receivable from margin financing services (1)	889,535,605	241,719,393
Receivable from reversed repurchase transactions (2)	924,564,756	500,250,659
Receivable from advance to investors (3)	66,052,795	3,542,593
Receivable from advisory service	264,000	-
Receivable from securities brokerage service	3,517,700	-
Other receivables from customers	917,867	-
	<u>1,884,852,723</u>	<u>745,512,645</u>

(1): This is the receivable under contracts providing financial support for investors in share auction, payments, and share purchase. These contracts are secured by investors' securities portfolio or net assets. Contract duration is from 2 days to 6 months and interest at rate ranging from 1.025%/month to 3.0%/month (in 2008 from 1.35%/month to 1.8%/month). Within the valid period of the contracts, the ownership of the underlying securities portfolio is transferred to the Company.

(2): Reversed repurchase agreements have terms from 1 month to 1 year and earn interest rates ranging from 1% to 2% per month (in 2008 from 1.35% to 1.8% per month). These receivables are presented at the buying price stated in the contracts. Within the valid period of the contracts, the ownership of underlying securities is transferred to the Company.

(3): This represents money advanced to investors on the securities selling date. (Normally, investors receive cash from securities selling in the third day since the transaction date). The advances earn interest at rates ranging from 0.2% to 0.3% per day (in 2008 from 0.04% to 0.58% per day).

During the year, The Company has adequately made provision of doubtful receivables from financial support agreements and overdue reversed repurchase contracts.

III.5 Other short-term receivables

	<i>Ending balance</i> VND'000	<i>Opening balance</i> VND'000
Interests receivable	35,429,279	25,760,765
Receivable from Stock exchanges	2,409,505	-
Dividends receivable	945,965	1,918,138
Other receivables	515,584	606,939
	<u>39,300,333</u>	<u>28,285,842</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.6 Short-term prepaid expense

	<i>Ending balance</i> VND'000	<i>Opening balance</i> VND'000
Prepaid office rental fee	4,501,691	522,248
Prepaid tools and materials	1,671,028	128,508
Prepaid installation and repair expense	1,065,919	583,619
Prepaid uniform expense	42,516	235,795
Other prepaid expenses	995,877	206,517
	8,277,031	1,676,687

III.7 Other current assets

	<i>Ending balance</i> VND'000	<i>Opening balance</i> VND'000
Deposits and mortgages	134,227	51,000
Advance to operating activities	2,336,873	876,200
Advance for fixing errors in brokerage operations	-	4,506,982
Other current assets	-	2,460
	2,471,100	5,436,642

III.8. Fixed assets

III.8.1 Tangible fixed assets

	<i>Buildings</i> VND'000	<i>Machineries and equipments</i> VND'000	<i>Vehicles</i> VND'000	<i>Office equipments</i> VND'000	<i>Total</i> VND'000
Cost					
As at 31 December 2008	3,102,676	29,491,636	1,719,216	149,919	34,463,447
<i>Purchases</i>	223,308	3,573,725	4,651,436	30,303	8,478,772
<i>Disposals</i>	30,490	86,599	-	-	117,089
As at 31 December 2009	3,295,494	32,978,762	6,370,652	180,222	42,825,130
Accumulated depreciation					
As at 31 December 2008	703,144	8,042,983	729,318	43,891	9,519,336
<i>Depreciation</i>	579,825	9,404,238	498,841	40,085	10,522,989
<i>Disposals</i>	30,490	86,599	-	-	117,089
As at 31 December 2009	1,252,479	17,360,622	1,228,159	83,976	19,925,236
Net book value					
As at 31 December 2008	2,399,532	21,448,653	989,898	106,028	24,944,111
As at 31 December 2009	2,043,015	15,618,140	5,142,493	96,246	22,899,894

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.8. Fixed assets (continued)

III.8.2 Intangible fixed assets

	<i>Computer software VND'000</i>	<i>Other VND'000</i>	<i>Total VND'000</i>
Cost			
As at 31 December 2008	7,087,990	-	7,087,990
<i>Purchases</i>	5,654,391	14,385	5,668,776
<i>Disposals</i>	-	-	-
As at 31 December 2009	<u>12,742,381</u>	<u>14,385</u>	<u>12,756,766</u>
Accumulated depreciation			
As at 31 December 2008	1,771,362	-	1,771,362
<i>Depreciation</i>	2,442,510	-	2,442,510
<i>Disposals</i>	-	-	-
As at 31 December 2009	<u>4,213,872</u>	<u>-</u>	<u>4,213,872</u>
Net book value			
As at 31 December 2008	<u>5,316,628</u>	<u>-</u>	<u>5,316,628</u>
As at 31 December 2009	<u>8,528,509</u>	<u>14,385</u>	<u>8,542,894</u>

III.9 Investment properties

This is the land use right at District 1, Hochiminh City.

III.10 Long-term investment securities

	<i>Ending balance VND'000</i>	<i>Opening balance VND'000</i>
Available-for-sale securities		
Un-listed securities	169,500,639	303,628,932
Fund certificates	45,525,000	45,525,000
Bonds	-	20,000
Held-to-maturity securities	<u>-</u>	<u>-</u>
	215,025,639	349,173,932
Provision for impairment of available-for-sale securities		
Un-listed stocks (**)	(12,148,594)	-
Fund certificates (**)	(9,492,000)	-
	<u>(21,640,594)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.10 Long-term investment securities (continued)

(*): Details of provision for unlisted shares are as follows:

<i>Un-listed stocks</i>	<i>Cost VND'000</i>	<i>Market value VND'000</i>	<i>Provision VND'000</i>
Those having market value less than book value (i)	25,048,889	12,900,295	(12,148,594)
Those having market value greater than book value (i)	1,433,925	2,438,500	-
Other shares (ii)	143,017,825	N/A	N/A
	169,500,639	N/A	N/A

N/A: Unavailable information

(i) The market prices of unlisted securities are determined based on the prices publicly quoted by at least three prestigious large-scaled securities companies on the stocks market and security magazines as at 31 December 2009. The Company has adequately made provision for those having market prices lower than cost as at 31 December 2009.

(ii) These securities are presented at cost due to the unavailability of market value.

(**): Provision for fund certificates are provided based on the fund's net asset value ("NAV") as at 31 December 2009. Details are as follows:

	<i>Cost VND'000</i>	<i>Net asset value VND'000</i>	<i>Provision VND'000</i>
Hanoi Fund certificates	15,225,000	14,322,000	(903,000)
Tiger Fund certificates	30,300,000	21,711,000	(8,589,000)
	45,525,000	36,033,000	(9,492,000)

III.11 Other long-term investments

	<i>Ending balance VND'000</i>	<i>Opening balance VND'000</i>
Long-term investments of the Company		
Long-term deposits at banks	-	29,420,000
Long-term equity investments (i)	5,010,000	8,000,000
Trusted investment in Dat Viet Land (ii)	3,000,000	-
Long-term investments of trusted investors		
Saigon A2 Investment Fund certificates (SFA2) (iii)	53,000,000	53,000,000
Hanoi Investment Fund certificates (iv)	15,225,000	15,225,000
	76,235,000	105,645,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.11 Other long-term investments (continued)

III.11.1 Long-term investments of the Company

(i): Detail of equity investments as at 31 December 2009 as follows:

<i>Name of entity</i>	<i>Face value VND'000</i>	<i>Book value VND'000</i>	<i>Ownership %</i>
MBCapital Management JS Company	10,000	10,000	0.025%
MBLand JS Company	5,000,000	5,000,000	1%
	5,010,000	5,010,000	

(ii): Investment in Dat Viet Land Joint-stock Company is trusted equity investment, in which Military Commercial Joint-stock Bank is the trustee.

III.11.2 Long-term investment of trusted investors

(iii): Saigon A2 Investment Fund certificates (SFA2) is the portfolio which the Company invested under Securities investment co-operation contract with representative of individual trust investors, in which the Company earns a fixed annual rate of 0.2% on the actual trusted fund.

(iv): Hanoi Fund certificate is the portfolio which Company invested under Securities investment co-operation contract with Military Bank.

III.12 Long-term prepaid expense

	<i>Ending balance VND'000</i>	<i>Opening balance VND'000</i>
Prepaid installation and repair expense	1,385,175	-
Prepaid office rental expense	35,215,669	-
Other prepaid expense	29,679	-
	36,630,523	-

III.13 Advance to Settlement Assistance Fund

Advance to Settlement Assistance Fund present the margin deposits at Security Trading Centers.

Under Decision No. 60/2004/QD-BTC dated 15 July 2004 and Decision No. 72/2005/QD-BTC dated 21 October 2005 by the Ministry of Finance, the Company must deposit the initial amount of 120 VNDm at each securities trading center and annually accumulate 0.008% of previous year's brokerage value.

Changes in advance to settlement assistance fund are as below:

	<i>Ending balance VND'000</i>	<i>Opening balance VND'000</i>
Opening balance	3,587,866	648,844
Increase in the year	2,097,570	2,939,022
Ending balance	5,685,436	3,587,866

Thang Long Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.14 Tax and Statutory payables

Currency: VND'000

Criteria	Code	Opening balance	Payable for the year	Paid during the year	Adjustment in accordance with tax finalization minute in prior years	Ending balance
I Tax	10	1,432,886	19,351,628	(8,587,039)	213,822	12,411,297
1 Value added tax for domestic sale	11	108,408	2,527,222	(2,272,775)	(1,915)	360,940
2 Value added tax for imported goods	12	-	-	-	-	-
3 Import tax	13	-	-	-	-	-
4 Enterprise income tax	14	903,961	11,084,637	(966,154)	209,547	11,231,991
5 Land tax	15	-	-	-	-	-
6 Land rental fee	16	-	-	-	-	-
7 Other taxes	17	420,517	5,739,769	(5,348,110)	6,190	818,366
- Personal income tax		420,517	5,739,769	(5,348,110)	6,190	818,366
- License tax		-	-	-	-	-
- Other taxes		-	-	-	-	-
Other obligations	18	14,205	93,822	(99,615)	(6,187)	2,225
1 Fees	19	-	-	-	-	-
2 Other obligations	20	14,205	93,822	(99,615)	(6,187)	2,225
		1,447,091	19,445,450	(8,686,654)	207,635	12,413,522

Thang Long Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.14 Tax and Statutory payables (continued)

Enterprise income tax

According to Circular 100/2004/TT-BTC dated 20 October 2004 and Official Document No. 3354/TC-CST dated 24 March 2005 by Ministry of Finance, the Company is exempted from enterprise income tax for 2 years 2001 and 2002 (2001 is the first year the Company made profit), the Company has to pay enterprise income tax at tax rate of 10% for years from 2003 to 2005, 20% for years from 2006 to 2010, and 25% for the remaining years.

According to Circular 03/2009-BTC dated 13 January 2009 issued by the Ministry of Finance on the enterprise income tax deduction and payment extension, the Company is entitled to 30% deduction of the tax payables for 2009 as its average number of employees in the quarter IV of 2008 did not exceed 300 persons, which met the definition of small and medium enterprises as stipulated in the Circular.

The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

	<i>Ending balance</i> VND'000	<i>Opening balance</i> <i>restated</i> VND'000
Profit/(Loss) before tax	108,408,136	373,160
Less:		
<i>Dividend income, EIT exempted</i>	<i>(10,008,386)</i>	<i>(23,046,794)</i>
Add:		
<i>Non-deductible expense</i>	<i>3,254,402</i>	-
Taxable income/(loss) before loss carried forward	101,654,152	(22,673,634)
Tax loss carried forward from previous year	(22,673,634)	-
Taxable income/(loss)	78,980,518	(22,673,634)
In which:		
<i>Taxable income for transferring land use right at rate of 25%</i>	<i>248,773</i>	-
<i>Taxable income at rate of 20%</i>	<i>78,731,745</i>	-
Tax expense of the Company	11,084,637	-
In which:		
<i>EIT for transferring land use right at rate of 25%</i>	<i>62,193</i>	-
<i>EIT at rate of 20%</i>	<i>15,746,349</i>	-
<i>30% tax reduction under Circular 03/2009/TT-BTC</i>	<i>(4,723,905)</i>	-
<i>EIT payable on behalf of Hanoi Fund Management Company</i>	-	325,224
EIT expense in the year	11,084,637	325,224
EIT payable at the beginning of the year	903,961	16,071,605
Tax paid during the year	(966,154)	(15,277,387)
Adjustments in accordance with tax finalization minute of prior years	209,547	(215,481)
EIT payables at the end of the year	11,231,991	903,961

Thang Long Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.15 Short-term loans and debts

	<u>Ending balance</u> VND'000	<u>Opening balance</u> VND'000
Short-term loans	1,403,950,200	-
Short-term loans from banks	502,000,000	-
Loans from other entities	901,950,200	-
Short-term bond issued	1,212,000,000	630,000,000
	<u>2,615,950,200</u>	<u>630,000,000</u>

III.15.1 Short-term loans

Detail of short-term loans from banks and other entities as follows:

	<u>Ending balance</u> VND'000	<u>Opening balance</u> VND'000
Loans from banks (*)		
Bac A Commercial JS Bank	170,000,000	-
Techcombank	72,000,000	-
SEABank	160,000,000	-
Hochiminh Housing Development Bank	100,000,000	-
Loans from other entities(**)		
Electric Finance JS Company	85,000,000	-
MBCapital Management JS Company	10,000,000	-
Handico Finance JS Company	490,000,000	-
Song Da Finance JS Company	30,000,000	-
Financial and Business Solution JS Company	24,000,000	-
PetroVietnam Insurance Finance JS Company	70,000,200	-
Vietnam Mechanization and Construction JS Company	15,000,000	-
Ha Do JS Company	20,000,000	-
Phuoc Hoa Rubber JS Company	19,000,000	-
Individuals	138,950,000	-
	<u>1,403,950,200</u>	<u>-</u>

(*): Short-term bank loans mature from 11 days to 275 days with interest rate from 10.2% to 25.1% per annum.

(**): Short-term loans from other entities are deposits received for brokerage contracts in which the Company has obligation to find securities at client's request. In case the Company could not meet its obligation in the effective duration, they have to pay interest to client at the rate ranging from 8.8% to 20.1% p.a over the deposits.

Thang Long Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAILS OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.15 Short-term loans and debts (continued)

III.15.2 Short-term issued bonds

Detail of bond issuance in 2009 as follows:

<i>Start date</i>	<i>Face value VND'000</i>	<i>Quantity</i>	<i>Maturity (month)</i>	<i>Interest rate % p.a</i>	<i>Amount VND'000</i>
26-2-2009	100	2,000,000	12	8,55%-10,55%	200,000,000
21-5-2009	100	3,120,000	12	9%- 10,2%	312,000,000
29-9-2009	100	2,000,000	15	11%	200,000,000
27-10-2009	100	3,000,000	12	12,50%	300,000,000
10-11-2009	100	2,000,000	12	13%	200,000,000
					1,212,000,000

In 2008, these bonds have terms ranging from 11 to 12 months with interest rate ranging from 9.6% to 12% p.a, payable at maturity.

III.16 Accrued expenses

	<i>Ending balance VND'000</i>	<i>Opening balance restated VND'000</i>
Accrued interest from bonds	37,588,867	46,760,690
Accrued expenses for services consumed:	6,679,182	472,394
<i>Payable to Securities Trading Centers</i>	2,774,849	408,280
<i>Commission payable to collaborators</i>	3,025,225	-
<i>Other payables</i>	879,108	64,114
	44,268,049	47,233,084

III.17 Payable to securities trading activities

	<i>Ending balance VND'000</i>	<i>Opening balance restated VND'000</i>
Deposits of investors for securities trading	782,288,491	127,197,809
Payables under cooperation contracts	-	100,000,000
	782,288,491	227,197,809

Thang Long Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAIL OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.18 Dividends, principal and interest payables

	<i>Ending balance</i> <i>VND'000</i>	<i>Opening balance</i> <i>VND'000</i>
Dividends, principal and interest payable to investors using brokerage services	592,064	8,649,681
Dividends, principal and interest payable to investors who use margin financing services	2,208,383	4,355,116
Dividend payable to shareholders	36,400,000	-
	<u>39,200,447</u>	<u>13,004,797</u>

III.19 Other long-term payables

Other long-term payables are payables prescribed under long-term securities investment co-operation contracts with partners.

III.20 Long-term loans and debts

Long-term loans and debts include bonds issued by the Company to other entities, which have 2-year term, bear interest rates from 9 – 16.5% p.a (2008: from 9% to 16.5% p.a); interest paid annually.

Thang Long Securities Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAIL OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.22 Owners' Equity

III.22.1 Increase/decrease in owners' equity

	Chartered capital VND'000	Surplus capital VND'000	Investment and development reserves VND'000	Financial reserves VND'000	Undistributed earnings VND'000	Bonus and welfare funds VND'000	Total VND'000
At 1 January 2008	300,000,000	-	695,906	13,979,435	74,722,516	1,223,717	390,621,574
Share issued	120,000,000	-	-	-	-	-	120,000,000
Adjustment on undistributed earnings due to Tax final determination for year 2006, 2007	-	-	-	-	(151,431)	-	(151,431)
Increase reserves of 2007 following to Meeting Minutes No. 03/2008/TSC/HDQT-BB of Board of Directors	-	-	1,516,773	3,990,367	(14,607,778)	9,100,638	-
Utilization of reserves	-	-	(1,223,694)	(155,047)	-	(9,270,600)	(10,649,341)
Profit transfer to Military Commercial JS Bank	-	-	-	-	(59,897,958)	-	(59,897,958)
Profit after tax for the year	-	-	-	-	373,160	-	373,160
At 31 December 2008	420,000,000	-	988,985	17,814,755	438,509	1,053,755	440,296,004
Share issued	380,000,000	121,000,000	-	-	-	-	501,000,000
Appropriation of reserve for prior year in accordance with Annual General Shareholder's Meeting	-	-	37,316	37,316	(134,338)	59,706	-
Temporary appropriation of bonus and welfare fund under BOD's decision	-	-	-	8,496,401	(8,496,401)	-	-
Declared dividend at rate of 8%	-	-	-	-	(4,480,000)	4,480,000	-
Reserve utilizations	-	-	(1,026,301)	(4,780,193)	(52,000,000)	(5,345,625)	(52,000,000)
Adjustment in accordance with tax finalization minute for year 2008, 2007	-	-	-	-	(209,547)	-	(209,547)
Profit after tax for the year	-	-	-	-	97,323,499	-	97,323,499
At 31 December 2009	800,000,000	121,000,000	-	21,568,279	32,441,722	247,836	975,257,837

Thang Long Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAIL OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.22 Owners' Equity (continued)

III.21.2 Ordinary shares

As at 31 December 2009, total number of the Company's outstanding ordinary shares was 80,000,000 (2008: 42,000,000).

III.21.3 Reserves

	Beginning balance VND'000	Increase VND'000	Decrease VND'000	Ending balance VND'000
Investment and development reserves	988,985	37,316	(1,026,301)	-
Reserves	17,814,755	8,533,718	(4,780,194)	21,568,279
Statutory reserves	6,520,541	-	-	6,520,541
Capital supplementary reserves	6,520,541	4,266,859	-	10,787,400
Financial reserves	4,773,673	4,266,859	(4,780,194)	4,260,338
Bonus and welfare funds	1,053,755	4,539,706	(5,345,625)	247,836
	19,857,495	13,110,740	(11,152,120)	21,816,115

III.22 Income from securities trading and investments

	2009 VND'000	2008 VND'000
Dividends	10,008,386	23,046,794
Bond interest	8,470,334	2,609,025
Revenue from bond and shares trading	158,401,209	55,203,411
	176,879,929	80,859,230

III.23 Other income

	2009 VND'000	2008 VND'000
Revenue from financial activities	230,507,937	223,454,864
Deposit interests	30,787,380	27,785,547
Fees from advance to investors	20,594,876	4,970,021
Interest from reverse repurchase and margin financing contracts with investors	147,028,721	190,699,296
Interest from bilateral contracts with Thang Long Investment JS Company	32,096,960	-
Income from other activities	61,393,809	1,355,893
Income from portfolio management	-	1,355,893
Gain from sales of investment properties	60,502,373	-
Other income	891,436	-
	291,901,746	224,810,757

Thang Long Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

III. DETAIL OF SELECTED ITEMS IN THE FINANCIAL STATEMENTS (continued)

III.24 Operating expenses

	2009 VND'000	2008 VND'000
Brokerage expenses	40,771,996	7,508,554
Securities trading expenses	111,601,264	53,666,158
Advisory expense	248,992	356,946
Custody expense	1,013,393	152,091
Provision expenses	36,330,994	43,945,634
Financial expense	186,750,003	179,944,152
Cost of real estate sold	60,253,600	-
Commission fee for collaborators	26,909,893	-
Direct expenses for operating activities:		
<i>Employees cost</i>	42,899,503	16,235,264
<i>Depreciation and amortization</i>	4,218,625	3,205,740
<i>Tools and equipments</i>	2,577,140	1,365,707
<i>Outsourced services</i>	18,194,281	10,763,131
<i>Other expenses</i>	4,239,186	6,102,219
	536,008,870	323,245,596

III.25 General and administrative expenses

	2009 VND'000	2008 VND'000
Personnel expense	13,643,362	10,019,310
Tools and equipments	514,276	852,992
Depreciation and amortization	8,746,874	5,171,151
Outsourcing expense	5,441,284	3,298,846
Tax and fee	47,089	57,571
Other expenses	3,447,518	1,467,044
	31,840,403	20,866,914

Thang Long Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

IV. OTHER INFORMATION

IV.1 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. During the year ended 31 December 2009, the outstanding weighted average number of ordinary shares is 49,671,233 (2008: 32,252,055 shares).

IV.2 Transactions with related parties

Significant transactions with related parties during the year are:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Value VND'000</i>
Military Commercial JS Bank	Parent company	Capital contribution	554,750,000
		Short-term deposit contracts	1,465,268,000
		Trusted contracts	3,000,000
		Interest income	4,912,221
		Brokerage fee	2,509,355
		Shareholder management fee	2,366,888
		Management and underwriting fee	1,577,441
MBCapital Management JS Company	A subsidiary of parent company	Brokerage fee	414,836

Balance with related parties as at 31 December 2009 are:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Receivables VND'000</i>	<i>Payables VND'000</i>
Military Commercial JS Bank	Parent company	Current account	59,908,287	-
		Short-term deposit contract	15,000,000	-
		Securities investment co-operation contract	-	15,525,000
		Dividend payment 2009	-	36,400,000
		Transaction reserve from MB	-	48,327,278
MBCapital Management JS Company	A subsidiary of parent company	Capital contribution	10,000	-
		Short-term loan	-	10,000,000
MBLAND JS Company	A subsidiary of parent company	Capital contribution	5,000,000	-

Transactions with other related parties

Total remuneration for Board of Directors and Board of Management in 2009 was 3,754,991 VND'000 (2008 was 1,748,326 VND'000).

Thang Long Securities Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2009

IV. OTHER INFORMATION (continued)

IV.3 Commitments and contingent liabilities

Operating lease commitments

The Company is renting offices under operating lease contracts. As at 31 December, office rental commitments under these contracts are as follows:

	2009 VND'000	2008 VND'000
Due within 1 year	9,338,579	-
Due within 1 – 5 years	12,972,527	22,083,070
Due after 5 years	-	-

These rentals are estimated based on the rental fee stated in the lease contracts valid as at 31 December 2009. The rentals denominated in US dollars were converted to Vietnamese currency using the inter-bank exchange rate of 17,941 ruling at 31 December 2009 (31 December 2008: 16,977).

IV.4 Indices on overall financial position and performance of the Company

Indicators	Unit	2009	2008
Asset ratios			
Fixed assets/ Total assets	%	0.74%	1.56%
Current assets/ Total assets	%	90.02%	65.75%
Liquidity ratios			
General liquidity ratio	%	79.00%	77.33%
Liabilities/ Total assets			
Current ratio	Times	1.19	1.37
Current assets/ current liabilities			
Acid-test ratio	Times	1.19	1.37
(Current assets – Inventory)/ current liabilities			
Cash liquidity ratio	Times	0.29	0.26
Cash and cash equivalents/ Current liabilities			
Profitability ratio			
Profit margin (Profit before tax/ Revenue)	%	14.39%	0.11%
Return on assets (Profit after tax/ Total asset)	%	2.10%	0.02%
Return on equity (Profit after tax / Chartered capital)	%	9.98%	0.08%

IV.5 Events since the balance sheet date

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.



Ms. Truong Tu Anh
Chief Accountant



Mr. Le Dinh Ngoc
Chief Executive Officer

Hanoi, Vietnam

31 March 2010

