



Thang Long Securities Joint-Stock Company

Financial Statements for the year ended
31 December 2007

Thang Long Securities Joint-Stock Company
Corporate Information

**Business Registration
Certificate No.**

0104000003	5 June 2000
0104000003/DC5	20 December 2006

The Business Registration Certificate and updates were issued by the Hanoi Department of Planning and Investment.

**Securities Operating
Licence No.**

05/GPHDKD	11 May 2000
199/QD-UBCK	1 September 2003
75/UBCK-GPDCTCK	1 October 2007
98/UBCK-GPDCCTCK	28 December 2007

The Securities Operating Licence and updates were issued by the State Securities Commission.

Board of Management

Mr. Le Van Be	Chairman
Mr. Le Dinh Ngoc	Vice Chairman
Mr. Pham Tuan	Member
Mr. Pham Viet Thich	Member
Mr. Trinh Khac Hau	Member

Board of Directors

Mr. Le Dinh Ngoc	General Director
Mr. Trinh Khac Hau	Deputy General Director

Registered Offices

Hanoi Head Office 6th floor, Toserco Building
273 Kim Ma Street
Hanoi, Vietnam

Ho Chi Minh City Branch 2 Ton Duc Thang, District 1,
Ho Chi Minh City, Vietnam

Auditors

KPMG Limited
Vietnam





KPMG Limited
16th Floor, Vietcombank Tower
198 Tran Quang Khai Street
Hoan Kiem District, Hanoi
The Socialist Republic of Vietnam

Telephone + 84 (4) 936 0380
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REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders Thang Long Securities Joint-Stock Company

Scope

We have audited the accompanying balance sheet of Thang Long Securities Joint-Stock Company ("the Company") as of 31 December 2007 and the related statements of income, changes in equity and cash flows for the year then ended, as set out on pages 4 to 30. 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. The financial statements of the Company for the year ended 31 December 2006 were audited by another firm of auditors, whose report dated 25 April 2007 expressed a qualified opinion on the financial statements due to disagreement with management of the Company.

Except as discussed in the following paragraphs, we conducted our audit in accordance with Vietnamese Standards on Auditing and International Standards on Auditing accepted in Vietnam. Those standards require that we plan and perform the audit to obtain reasonable assurance that 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Qualifications

1. The other firm of auditors expressed a qualified opinion on the financial statements of the Company for the year ended 31 December 2006 due to disagreement with the management of the Company. It was not practicable for us to extend our audit procedures to satisfy ourselves as to the fair presentation of the corresponding figures. Any adjustments necessary to the corresponding figures might have a consequential effect on the current year's financial statements.
2. As discussed in Note 19 to the financial statements, included in revenue from reverse repurchase agreements and cash advances to support securities trading activities agreements for the year ended 31 December 2007 is revenue for the year ended 31 December 2006 amounting to VND8,733,611 thousands. Had the above revenue been recorded in 2006, the net profit for the year to 31 December 2007 would have been decreased and the retained profit brought forward as at 1 January 2007 would have been increased by VND6,986,889 thousands.

Qualified audit opinion

In our opinion, except for the effects on the financial statements of the matters referred to in the preceding paragraphs, the financial statements present fairly, in all material respects, the financial position of Thang Long Securities Joint-Stock Company as of 31 December 2007 and the results of its operations and its cash flows for the year then ended in accordance with Decision No. 99/2000/QD-BTC issued by the Ministry of Finance dated 13 June 2000 on the promulgation of accounting systems of securities companies, Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.



[Signature]
KPMG Limited
Vietnam

Investment Licence No: 863/GP

Audit Report No: 07-02-154

[Signature]

Mark E. Jerome
CPA No. 0628/KTV
Deputy General Director

[Signature]

Hồ Việt Hà
CPA No. 0676/KTV

Hanoi, 13 MAR 2008

Thang Long Securities Joint-Stock Company
Balance sheet at 31 December 2007

	Code	Note	2007 VND'000	2006 VND'000
ASSETS				
A- CURRENT ASSETS AND SHORT-TERM INVESTMENTS	100		2,190,031,497	508,943,741
I. Cash and cash equivalents	110	3	436,522,408	128,966,128
Cash on hand	111		324,145	88,100
Cash in bank	112		66,420,692	1,339,937
Cash from investors relating to securities transactions	114		287,118,089	127,538,091
Cash from sales of issued securities for issuers	115		22,659,482	-
Cash equivalents			60,000,000	-
Securities investments and other short-term investments	120	4	443,681,156	325,189,395
Trading securities	121		277,918,782	323,689,807
Short-term securities investments of entrusted investors	122		171,435,600	1,525,600
Allowance for diminution in value of securities and short-term investments	126		(5,673,226)	(26,012)
II. Accounts receivable	130		1,299,193,504	51,319,588
Accounts receivable from investors	132		40,479,705	-
Accounts receivable from customers		5	1,231,245,924	51,269,692
Prepayments to suppliers	134		2,197,125	-
Inter-company receivables	136	6	1,454,000	-
Other receivables	137	7	23,873,750	49,896
Allowance for doubtful debts	138		(57,000)	-
III. Tools and supplies	140		61,667	26,914
Tools and supplies	141		61,667	26,914
IV. Other current assets	150		10,572,762	3,441,716
Advances	151		5,286,586	136,697
Short-term prepayments	152		908,175	412,418
Short-term deposits	156		4,378,001	2,892,601

Thang Long Securities Joint-Stock Company
Balance sheet at 31 December 2007 (continued)

	Code	Note	2007 VND'000	2006 VND'000
B - FIXED ASSETS AND LONG-TERM INVESTMENTS	200		250,338,803	33,244,903
I. Fixed assets	210		18,016,651	1,986,395
Tangible fixed assets	211	8	11,396,240	1,937,857
<i>Cost</i>	212		14,769,772	3,469,845
<i>Accumulated depreciation</i>	213		(3,373,532)	(1,531,988)
Intangible fixed assets	217	9	6,620,411	48,538
<i>Cost</i>	218		6,658,654	55,155
<i>Accumulated amortisation</i>	219		(38,243)	(6,617)
II. Long-term securities investments and other long-term investments	220	10	230,250,000	30,450,000
Long-term investments of the Company	221		68,250,000	30,450,000
Long-term securities investments of entrusted investors	223		162,000,000	-
III. Other long-term assets	240		2,072,152	808,508
Long-term deposits	241		1,423,308	582,566
Deposits at Payment Support Fund	242	11	648,844	225,942
TOTAL ASSETS	250		2,440,370,300	542,188,644

The notes set out on pages 13 to 30 form an integral part of these financial statements

Thang Long Securities Joint-Stock Company
Balance sheet at 31 December 2007 (continued)


	Code	Note	2007 VND'000	2006 VND'000 Restated
RESOURCES				
A- LIABILITIES	300		2,049,748,726	408,516,821
I. Current liabilities	310		1,416,313,126	398,093,706
Short-term borrowings	312	12	905,898,581	190,828,726
Payables to suppliers	318		380,283	39,552,225
Advances from customers	319	13	100,565,000	480,500
Dividends, bonds and yields payable	320		1,417,176	46,113
Taxes payable to State Treasury	323		16,072,177	5,434,865
Payables to employees	324		1,179,861	374,517
Accrued expenses	325		17,330,124	318,327
Inter-company payables	326	14	790,000	28,225,000
Payables to securities issuance organisations	327		25,561,835	13,517,664
Other payables	328	15	60,000,000	675,193
Settlements of securities transactions by the investors	332		287,118,089	118,640,576
II. Long-term liabilities	340		633,435,600	10,423,115
Long-term payables	342	16	300,000,000	-
<i>Issuing bonds</i>	343		300,000,000	-
Long-term deposits	344		-	8,897,515
Payables to entrusted investors	345		333,435,600	1,525,600
B- EQUITY	400		390,621,574	133,671,823
I. Share capital	410	17	300,000,000	120,000,000
Share capital	411		300,000,000	120,000,000
II. Reserves and retained profits	430		90,621,574	13,671,823
Investment and development fund	431		695,906	392,776
Financial reserves	432	18	13,979,435	5,843,227
<i>Statutory reserves</i>	433		13,979,435	5,843,227
Retained profits	438		74,722,516	7,000,273
Bonus and welfare fund	439		1,223,717	435,547
TOTAL RESOURCES	450		2,440,370,300	542,188,644

The notes set out on pages 13 to 30 form an integral part of these financial statements

Than Long Securities Joint-Stock Company
Balance sheet at 31 December 2007 (continued)

	Code	2007 VND'000	2006 VND'000
OFF BALANCE SHEET ITEMS			
Assets held for others	002	274,420,910	5,388
Capital depreciation source of funds	005	1,280,221	1,182,896
Securities of local members under custody	006	1,291,351,535	109,075,260
Trading securities of local members	007	1,019,365,525	82,636,320
- Trading securities of local members' companies	008	11,312,950	2,540,520
- Trading securities of local members' investors	009	984,025,165	80,095,800
- Trading securities of local members' entrusted investors	010	24,027,410	-
Mortgaged securities of local members	015	192,923,230	-
- Mortgaged securities of local members' investors	017	192,923,230	-
Securities temporarily held for local members	019	79,062,780	-
- Securities held temporarily for local investors	021	79,062,780	-

Prepared by:


 Trương Tu Anh
 Chief Accountant



Approved by:


 Lê Đình Ngọc
 General Director

Than Long Securities Joint-Stock Company
Statement of income for the year ended 31 December 2007

PART I - PROFIT AND LOSSES

	Code	Note	2007 VND'000	2006 VND'000
Gross revenue from securities trading activities	01		205,933,166	59,646,528
Revenue from securities brokerage	02		73,743,632	8,450,398
Revenue from securities trading	03		49,290,389	17,834,746
Revenue from investment portfolio management	04		1,670,182	21,413,119
Revenue from securities issuance underwriting	05		897,351	781,051
Revenue from securities investment advisory	06		4,105,055	2,282,846
Revenue from securities custodian	07		860,967	-
Revenue from operating capital	09	19	75,275,590	8,884,368
Revenue from operating leases	10		90,000	-
Less sales deductions	11		(6,492,933)	-
Net revenue from securities trading	12		199,440,233	59,646,528
Revenue from investment activities	13		9,302,751	3,216,923
Net revenue from securities trading and investment activities	14		208,742,984	62,863,451
Expenses for securities trading	15	20	(96,505,576)	(16,155,117)
Gross profit	20		112,237,408	46,708,334
General and administration expenses	30	21	(9,075,036)	(3,086,412)
Net profit from securities trading activities	40		103,162,372	43,621,922
Other income	41		7,744	44,905
Other expenses	42		(7,555)	-
Profit before tax	60		103,162,561	43,666,827
Corporate income tax	70	23	(18,771,962)	(8,209,981)
Net profit after tax	80		84,390,599	35,456,846
<i>Earnings per share (par value of VND10,000 each)</i>				
Basic earnings per share		24	5.13	Not applicable

Thang Long Securities Joint-Stock Company
Statement of income for the year ended 31 December 2007 (continued)

**PART II. STATEMENT OF AMOUNTS PAID & PAYABLE TO THE STATE
 TREASURY**

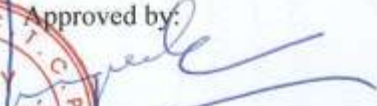
	Code	Amounts brought forward VND'000	Amounts provided VND'000	Amounts paid VND'000	Amounts carried forward VND'000
Taxes	10				
Corporate income tax		5,358,702	18,771,962	(8,916,613)	15,214,051
Personal income tax		76,163	20,126	(95,716)	573
Others		-	857,553	-	857,553
Total	40	5,434,865	19,649,641	(9,012,329)	16,072,177

Prepared by:



Trương Tu Anh
 Chief Accountant

Approved by:



Lê Đình Ngọc
 General Director



Thang Long Securities Joint-Stock Company
Statement of changes in equity for the year ended 31 December 2007

	Share capital VND'000	Investment and development fund VND'000	Reserves VND'000	Retained profits VND'000	Reward and welfare fund VND'000	Total VND'000
Balance at 1/1/2006	43,000,000	203,210	1,607,291	6,212,240	111,877	51,134,618
Share capital issued	77,000,000	-	-	-	-	77,000,000
Net profit for the year	-	-	-	35,456,846	-	35,456,846
Transfer to reserves and funds	-	345,126	4,235,936	(5,333,263)	752,201	-
Utilisations of funds	-	(155,560)	-	-	(428,531)	(584,091)
Dividends:						
- as previously reported	-	-	-	(16,374,017)	-	(16,374,017)
- adjustment to opening balances (*)	-	-	-	(13,000,000)	-	(13,000,000)
Others	-	-	-	38,467	-	38,467
Balance at 1/1/2007 (restated)	120,000,000	392,776	5,843,227	7,000,273	435,547	133,671,823
Share capital issued	180,000,000	-	-	-	-	180,000,000
Net profit for the year	-	-	-	84,390,599	-	84,390,599
Transfer to reserves and funds	-	712,345	8,228,083	(11,607,810)	2,667,382	-
Utilisations of funds	-	(409,215)	(91,875)	-	(1,927,114)	(2,428,204)
Dividends	-	-	-	(5,275,617)	-	(5,275,617)
Others	-	-	-	215,071	47,902	262,973
Balance at 31/12/2007	300,000,000	695,906	13,979,435	74,722,516	1,223,717	390,621,574

(*) The announced distributable retained profit to the Parent company, amounted to VND13,000,000 thousands, has not been accounted for in the financial statements as of and for the year ended 31 December 2006.

Prepared by:

for
 Trương Tu Anh
 Chief Accountant



The notes set out on pages 13 to 30 form an integral part of these financial statements

Thang Long Securities Joint-Stock Company
Statement of cash flows for the year ended 31 December 2007

	Code	Note	Year ended 31/12/2007 VND'000	Year ended 31/12/2006 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		103,162,561	43,666,827
<i>Adjustment for</i>				
Depreciation and amortisation	02		1,873,170	610,555
Allowance for diminution in value of securities and short-term investments	03		5,647,214	(67,942)
Allowance for doubtful debts			57,000	-
Interest expenses			40,407,566	3,986,867
Interest income			(74,225,942)	-
Operating profit before changes in working capital			76,921,569	48,196,307
Increase in receivables and other current assets	21		(1,432,328,412)	(358,345,683)
Increase in investments			(124,138,975)	
Increase in payables and other liabilities	23		591,177,970	179,489,975
			(888,367,848)	(130,659,401)
Interest received			50,393,995	-
Tax refunds	31		-	38,464
Other movements			(2,165,231)	(584,091)
Corporate income tax paid	31		(8,916,613)	(3,181,788)
Net cash used in operating activities	40		(849,055,697)	(134,386,816)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets	41		(17,903,426)	(1,713,975)
Net cash used in investing activities	50		(17,903,426)	(1,713,975)

The notes set out on pages 13 to 30 form an integral part of these financial statements

Thang Long Securities Joint-Stock Company
Statement of cash flows for the year ended 31 December 2007 (continued)

	Code	Note	Year ended 31/12/2007 VND'000	Year ended 31/12/2006 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from capital contributions	51		180,000,000	77,000,000
Proceeds from short-term borrowings	53		1,216,325,730	289,918,726
Proceeds from long-term borrowings	53		300,000,000	-
Payments for interest expenses	54		(24,938,317)	(3,986,867)
Payments to settle short-term borrowings	54		(501,255,875)	(99,090,000)
Payments of dividends to shareholders	54		(18,275,617)	(16,374,017)
Net cash generated from financing activities	60		1,151,855,921	247,467,842
Net cash flows during the year	70		284,896,798	111,367,051
Cash and cash equivalents at the beginning of the year	80		128,966,128	17,599,077
Cash and cash equivalents at the end of the year	90	3	413,862,926	128,966,128

Prepared by:



Trương Tu Anh
Chief Accountant



Approved by:



Lê Đình Ngọc
General Director

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Principal activities

The principal activities of Thang Long Securities Joint-Stock Company ("the Company"), which is incorporated as a joint stock company in Vietnam, are to conduct securities brokerage activities, securities trading activities, and to provide securities investment advisory and securities underwriting services under Business Registration Certificate No. 0104000003 issued by the Hanoi Planning and Investment Department dated 5 June 2000, amended on 20 December 2006, and Securities Operating Licence No. 05/GPHDKD dated 11 May 2000 issued by the State Securities Commission of Vietnam ("SSC"), amended on 1 September 2003, 1 October 2007 and 28 December 2007 (together referred as "the Securities Operating Licence").

The total legal capital amount of the Company, as stipulated in the Securities Operating Licence, is VND300 billion.

As at 31 December 2007 the Company had 223 employees (2006: 92 employees).

2. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

(a) Basis of financial statement preparation

The financial statements, expressed in Vietnam Dong ("VND"), rounded to the nearest thousand, have been prepared in accordance with Decision No. 99/2000/QD-BTC issued by the Ministry of Finance on 13 June 2000 on the accounting system of securities companies, Vietnamese Accounting Standards, the Vietnamese Accounting System and accounting principles generally accepted in Vietnam.

The financial statements are prepared on the historical cost basis. The accounting policies have been consistently applied by the Company.

(b) Fiscal year

The fiscal year of the Company is from 1 January to 31 December.

(c) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates approximating those ruling at the transaction dates.

All realised and unrealised foreign exchange differences are recorded in the statement of income.

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

(d) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(e) Trading securities, short-term and long-term investments

Trading securities, short-term and long-term investments of the Company include investments in securities and other investments. Trading securities, short-term and long-term investments of the Company are stated at cost less allowance for diminution in value of securities and other investments.

The allowance for diminution of trading securities, short-term and long-term investments of the Company is made in accordance with the current regulation as issued by the Ministry of Finance. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

Short-term and long-term investments of entrusted investors include investments in securities and are stated at cost. Provision for diminution in value of investments of entrusted investors is not made as the Company does not bear this loss, as stated in the investment entrusted contracts.

Cost of trading in securities is determined on a weighted average basis.

(f) Accounts receivable

Trade and other receivables are stated at cost less provision for doubtful debts.

Securities purchased under agreements to resell (reverse securities repurchase agreements) are reported not as purchases of the securities, but as receivables and are carried in the balance sheet at amortised cost. Interest earned on these agreements is recognised as interest income over the life of each agreement on accruals basis.

Cash advances under agreements to support securities trading activities of customers (cash advances to support securities trading activities agreements) are reported as receivables and are carried in the balance sheet at amortised cost. Interest earned on these agreements is recognised as interest income over the life of each agreement on accruals basis.

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditures are capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

Motor vehicles	6 years
Office equipment	3 – 5 years

(h) Intangible fixed assets

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 5 years.

(i) Trade and other payables

Trade and other payables are stated at their cost.

(j) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous year.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

(k) Revenue

(i) *Securities brokerage*

Revenue from securities brokerage activities is recognised in the statement of income when services are provided.

(ii) *Securities trading*

Revenue from securities trading activities is recognised in the statement of income upon receipt of the Notice for settlements of securities trading transactions from the Securities Trading Centers (for listed securities) and completion of the agreement on transfer of assets (for unlisted securities).

(iii) *Investment portfolio management*

Revenue from investment portfolio management activities is recognised in the statement of income on a straight-line basis over the life of each contract.

(iv) *Securities investment advisory*

Revenue from securities investment advisory is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to work performed.

(v) *Revenue from operating capital*

Revenue from operating capital mainly represents interest income on deposits at banks, reverse purchase agreements and cash advances to support securities trading activities agreements. Revenue from operating capital is recognised in the statement of income on an accruals basis.

(l) *Revenue from investment activities*

Dividend income is recognised when the right to receive payments is established.

(m) *Borrowing costs*

Borrowing costs are recognised as an expense in the year in which they are incurred.

(n) *Earnings per share*

The Company presents basic earnings per share (EPS) for its shares. Basic EPS is calculated by dividing the profit or loss attributable to the shareholders of the Company by the weighted average number of shares outstanding during the year.

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

(o) Related companies

Related companies include shareholders and their subsidiaries and associates.

(p) Off balance sheet items

Amounts which are defined as off balance sheet items under Decision No. 99/2000/QD-BTC dated 13 June 2000 issued by the Ministry of Finance on the promulgation of accounting system of securities companies are disclosed in the relevant notes to these financial statements.

(q) Nil balances

Items or balances required by Decision No. 99/2000/QD-BTC dated 13 June 2000, issued by the Ministry of Finance on the promulgation of accounting system of securities companies, that are not shown in these financial statements indicate nil balances.

3. Cash and cash equivalents

	2007 VND'000	2006 VND'000
Cash on hand	324,145	88,100
Cash in bank	66,420,692	1,339,937
Cash from investors relating to securities transactions	287,118,089	127,538,091
Bank time deposits less than three months	60,000,000	-
	<hr/>	<hr/>
Cash and cash equivalents in the statement of cash flows	413,862,926	128,966,128
	<hr/>	<hr/>
Cash from sales of issued securities for issuers	22,659,482	-
	<hr/>	<hr/>
	436,522,408	128,966,128
	<hr/>	<hr/>

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

4. Securities investments and other short-term investments

	Amount brought forward VND'000	Increase VND'000	Decrease VND'000	Amount carried forward VND'000
Trading securities of the Company	323,689,807	408,574,184	454,345,209	277,918,782
Short-term securities investments of entrusted investors	1,525,600	220,710,000	50,800,000	171,435,600
	325,215,407	629,284,184	505,145,209	449,354,382
Allowance for diminution in value of securities and short-term investments	(26,012)	(5,647,214)	-	(5,673,226)
	325,189,395	623,636,970	505,145,209	443,681,156

Details of trading securities held by the Company as at 31 December 2007 were as follows:

Types of trading securities	Securities held as at 31/12/2007		Cost as at 31/12/2007 VND'000	Proportion (%)
	Quantity of shares	Total at par value VND'000		
Listed shares	1,989,255	19,892,550	77,168,693	28%
Unlisted shares	5,009,184	56,504,960	200,750,089	72%
			277,918,782	100%

Included in trading securities of the Company are securities with carrying value as at 31 December 2007 of VND26,800,000 thousands and VND24,199,000 thousands pledged with An Binh Commercial Joint-Stock Bank and Vietnam Bank of Agriculture and Rural Development, respectively, for the Company's short-term borrowings (refer to Note 12).

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

5. Accounts receivable from customers

	2007 VND'000	2006 VND'000
Receivables under cash advances to support securities trading activities agreements	184,843,410	-
Receivables under reverse securities repurchase agreements	1,046,402,514	51,269,692
	<hr/> 1,231,245,924	<hr/> 51,269,692

Included in securities held by the Company under reverse securities repurchase agreements are securities with carrying value as at 31 December 2007 of VND125,000 thousands, VND118,897,992 thousands and VND146,786,000 thousands pledged with An Binh Commercial Joint-Stock Bank, Maritime Commercial Joint-Stock Bank and Vietnam Bank of Agriculture and Rural Development, respectively, for the Company's short-term borrowings (refer to Note 12).

6. Inter-company receivables

Inter-company receivables are trade related, unsecured, interest free and had no fixed term of repayments.

7. Other receivables

	2007 VND'000	2006 VND'000
Interest income receivables	23,831,947	-
Other receivables	41,803	49,896
	<hr/> 23,873,750	<hr/> 49,896



Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

8. Tangible fixed assets

	Motor vehicles VND*000	Office equipment VND*000	Total VND*000
Cost			
Opening balance	542,602	2,927,243	3,469,845
Additions	1,176,615	10,123,312	11,299,927
Closing balance	1,719,217	13,050,555	14,769,772
Accumulated depreciation			
Opening balance	256,228	1,275,760	1,531,988
Charge for the year	186,553	1,654,991	1,841,544
Closing balance	442,781	2,930,751	3,373,532
Net book value			
Closing balance	1,276,436	10,119,804	11,396,240
Opening balance	286,374	1,651,483	1,937,857

9. Intangible fixed assets

	Software VND*000
Cost	
Opening balance	55,155
Additions	6,603,499
Closing balance	6,658,654
Accumulated depreciation	
Opening balance	6,617
Charge for the year	31,626
Closing balance	38,243
Net book value	
Closing balance	6,620,411
Opening balance	48,538

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

10. Long-term investments

	Amount brought forward VND'000	Increase VND'000	Decrease VND'000	Amount carried forward VND'000
Long-term securities investments of the Company	30,450,000	57,800,000	20,000,000	68,250,000
Long-term securities investments of entrusted investors	-	162,000,000	-	162,000,000
	<u>30,450,000</u>	<u>219,800,000</u>	<u>20,000,000</u>	<u>230,250,000</u>

11. Deposits at Payment Support Fund

These represent deposits at the Securities Trading Centers.

According to Decision 60/2004/QD-BTC dated 15 July 2004 and Decision 72/2005/QD-BTC dated 21 October 2005, both issued by the MOF, the Company is required to deposit an initial amount of VND120 million at Securities Trading Center and an additional annual contribution of 0.008% of the total value of dealing and brokered securities in the previous year.

Movements of deposits at Payment Support Fund during the year were as follow:

	2007 VND'000	2006 VND'000
Opening balance	225,942	160,479
Additions	422,902	65,463
	<u>648,844</u>	<u>225,942</u>
Closing balance		

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

12. Short-term borrowings

	2007 VND'000	2006 VND'000
Short-term borrowings		
- from Military Commercial Joint-Stock Bank	-	190,828,726
- from An Binh Commercial Joint-Stock Bank (a)	27,612,366	-
- from Maritime Commercial Joint-Stock Bank (b)	99,512,000	-
- from Vietnam Bank of Agriculture and Rural Development (c)	100,000,000	-
- from Industry and Commercial Bank	178,774,215	-
	405,898,581	190,828,726
Short-term bonds	500,000,000	-
	905,898,581	190,828,726

Short-term borrowings are secured as follows:

- (a) The loan is secured by short-term listed securities of the Company with a carrying value as at 31 December 2007 of VND26,800,000 thousands and short-term unlisted securities kept by the Company under reverse repurchase agreements with a carrying value as at 31 December 2007 of VND125,000 thousands.
- (b) The loan is secured by short-term unlisted securities kept by the Company under reverse repurchase agreements with a carrying value as at 31 December 2007 of VND118,897,992 thousands.
- (c) The loan is secured by short-term listed securities of the Company with a carrying value as at 31 December 2007 of VND24,199,000 thousands and short-term unlisted securities kept by the Company under reverse repurchase agreements with a carrying value as at 31 December 2007 of VND146,786,000 thousands.

Short-term borrowings at 31 December 2007 included amounts denominated in currencies other than VND amounting to VND 74,124,000 thousands (2006: VND96,859,347 thousands).

The short-term borrowings bore interest at rates ranging from 6.30% to 6.85% (2006: 5.38 to 6.63%) per annum during the year.

Short-term bonds issued by the Company during the year bear interest at 9.6% per year (2006: Nil) which is payable on maturity of the bonds.

13. Advances from customers

Advances from customers mainly represent deposits from customers to buy securities.

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

14. Inter-company payables

Inter-company payables are trade related, unsecured, interest free and had no fixed term of repayments.

15. Other payables

Other payables represent a payable to Military Insurance Joint-Stock Company and bears interest at 10% per year (2006: Nil).

16. Long-term payables

Long-term payables represent two year term bonds issued by the Company during the year. The bonds bear interest at 9% per year (2006: Nil) which is payable annually.

17. Share capital

The Company's authorised and issued share capital are:

	2007	
	Number of shares	VND'000
Ordinary shares	30,000,000	300,000,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. The Company was a wholly owned subsidiary of Military Commercial Joint Stock Bank until 28 December 2007, when it was equitised.

Movements in share capital during the year were as follows:

	2007 VND'000
Balance at the beginning of the year	120,000,000
Shares issued during the year for cash	180,000,000
Balance at the end of the year	300,000,000

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

18. Reserves

According to Decision 27/2007/QĐ-BTC dated 24 April 2007 issued by the Ministry of Finance, securities companies are required to make the following allocation before distribution of profits:

	Annual allocation	Maximum balance
Reserve to supplement chartered capital	5% of profit after tax	100% of chartered capital
Financial reserve	5% of profit after tax	10% of chartered capital

Movements of reserves during the year were as follows:

	Reserve to supplement chartered capital VND'000	Financial reserves VND'000	Extra-ordinary reserve VND'000	Total VND'000
Opening balance	2,307,282	2,997,534	538,411	5,843,227
Transfers from retained profits	4,114,042	4,114,041	-	8,228,083
Utilisation of funds	-	(91,875)	-	(91,875)
Closing balance	6,421,324	7,019,700	538,411	13,979,435

19. Revenue from operating capital

	2007 VND'000	2006 VND'000
Interest income from bank time deposits and advances to customers	14,003,327	-
Interest income from reverse purchase agreements and cash advances to support securities trading activities agreements (*)	60,222,615	8,884,368
Other revenue	1,049,648	-
	75,275,590	8,884,368

(*) Included in interest income from reverse purchase agreements and cash advances to support securities trading activities agreements is revenue for the year ended 31 December 2006 amounting to VND8,733,611 thousands.

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

20. Expenses for securities trading

	2007 VND'000	2006 VND'000
Dealing securities expenses	19,344,865	1,326,047
Interest expenses	40,407,566	3,986,867
Provision for diminution in the value of securities and short-term investments	5,647,214	26,012
Salary and related expenses	11,589,183	4,357,898
Depreciation and amortisation of fixed assets	977,070	318,166
Other expenses	18,539,678	6,140,127
	96,505,576	16,155,117

21. General and administration expenses

	2007 VND'000	2006 VND'000
Staff costs	2,941,557	1,213,589
Materials, tools and supplies	1,921,181	678,340
Depreciation and amortisation of fixed assets	896,100	292,389
Taxes and fees	12,781	5,384
Outside services	806,564	183,152
Other expenses	2,496,853	713,558
	9,075,036	3,086,412

22. Staff costs

	2007 VND'000	2006 VND'000
Total payroll	9,748,795	3,614,770
Bonuses	4,781,945	1,956,717
	14,530,740	5,571,487
Average monthly salary/staff	3,643	3,274
Average monthly remuneration/staff	5,430	5,047

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

23. Corporate income tax

(a) Recognised in the statement of income

	2007 VND'000	2006 VND'000
Current tax expense	18,771,962	8,209,981
Deferred tax expense	-	-
Corporate income tax ("CIT")	<u>18,771,962</u>	<u>8,209,981</u>

(b) Reconciliation of effective tax rate

	2007 VND'000	2006 VND'000
Profit before tax	103,162,561	43,666,827
Tax at applicable CIT rate of 20%	20,632,512	8,733,365
Tax exempt income	(1,860,550)	(523,384)
	<u>18,771,962</u>	<u>8,209,981</u>

(c) Applicable tax rates

According to Circular 100/2004/TT-BTC dated 20 October 2004, the Company is exempted from CIT for 2 years from 2001 to 2002 (2001 is the first profit-making year of the Company). The Company is subject to CIT rate of 10% for the years from 2003 to 2005, 20% for 2006 and 2010, and 28% for succeeding years. The tax computation is subject to agreements from the tax authority.

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

24. Basic earnings per share

The calculation of basic earnings per share at 31 December 2007 was based on the profit attributable to shareholders of VND 84,390,599 thousands and a weighted average number of shares outstanding of 16,435,617.

Weighted average number of shares outstanding is calculated as follows:

	2007 VND'000
Issued shares at the beginning of the year	12,000,000
Effect of ordinary shares issued on 31 August 2007	4,380,822
Effect of ordinary shares issued on 28 December 2007	54,795
	<hr/>
Weighted average number of shares as at 31 December 2007	16,435,617

25. Significant transactions with related parties

During the year and as at the year end there were the following significant transactions and balances with related parties:

Related Party	Relationship	Nature of transaction/balances	2007 VND'000
Military Commercial Joint-Stock Bank	Shareholder	Share capital	250,000,000
		Payments of dividends	18,275,617
		Cash at bank	64,296,659
		Cash at bank from investors relating to securities transactions	161,061,280
		Receivables	2,197,125
		Payables to settle securities transactions	17,588,396
		Payables under securities entrusted contract	119,200,000
Hanoi Fund Management Joint-Stock Company	Shareholder	Share capital	3,000,000
		Payables to settle securities transactions	2,352,025

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

26. Foreign exchange contracts

The Company had the following commitments under foreign exchange contracts to purchase USD at 31 December 2007:

	2007 VND'000	2006 VND'000
Forward foreign exchange contract commitments	127,204,434	-

27. Value of transactions processed during the year

Items	Volume of transactions processed	Total transaction value VND'000
Transactions of the Company	3,185,720	345,709,592
Shares and fund certificates	3,175,720	345,432,592
Bonds	10,000	277,000
Transactions of investors	384,803,633	37,415,157,802
Shares and fund certificates	378,576,060	36,733,452,165
Bonds	6,227,573	681,705,637
	387,989,353	37,760,867,394

Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

28. Accounts receivable and accounts payable

Items	Beginning balance VND'000	Increase VND'000	Decrease VND'000	Closing balance VND'000
1. Accounts receivable	51,319,588	21,851,636,427	20,603,762,511	1,299,193,504
1.1. Accounts receivable	51,269,692	21,784,501,191	20,560,451,129	1,275,319,754
- Receivables from investors	-	2,741,214,395	2,700,734,690	40,479,705
- Receivables from customers	51,269,692	11,977,060,761	10,797,084,529	1,231,245,924
- Prepayments to suppliers	-	7,064,829,035	7,062,631,910	2,197,125
- Inter-company receivable	-	1,454,000	-	1,454,000
- Provision	-	(57,000)	-	(57,000)
1.2. Other receivables	49,896	67,135,236	43,311,382	23,873,750
2. Accounts payable	408,516,821	55,132,243,920	53,491,012,015	2,049,748,726
A- Current liabilities	398,093,706	53,089,821,296	52,071,601,876	1,416,313,126
2.1. Short-term borrowings	190,828,726	1,216,325,730	501,255,875	905,898,581
2.2. Accounts payable	40,032,725	7,276,079,210	7,215,166,652	100,945,283
- Payables to suppliers	39,552,225	7,160,667,210	7,199,839,152	380,283
- Advances from customers	480,500	115,412,000	15,327,500	100,565,000
2.3. Dividend, bonds and yields payable	46,113	133,217,684	131,846,621	1,417,176
2.4. Taxes payable to State Treasury	5,434,865	19,701,676	9,064,364	16,072,177
2.5. Payables to employees	374,517	9,748,795	8,943,451	1,179,861
2.6. Accrued expenses	318,327	40,458,532	23,446,735	17,330,124
2.7. Inter-company payables	28,225,000	790,000	28,225,000	790,000
2.8. Payable to securities issuance organisations	13,517,664	3,355,615,900	3,343,571,729	25,561,835
2.9. Other payables	675,193	563,185,487	503,860,680	60,000,000
2.10. Settlements of securities transactions by the investors	118,640,576	40,474,698,282	40,306,220,769	287,118,089
B- Long-term liabilities	10,423,115	2,042,422,624	1,419,410,139	633,435,600
2.11. Issuing bonds	-	300,000,000	-	300,000,000
2.12. Long-term deposits	8,897,515	1,286,399,274	1,295,296,789	-
2.13. Payables to entrusted investors	1,525,600	456,023,350	124,113,350	333,435,600



Thang Long Securities Joint-Stock Company
Notes to the financial statements for the year ended 31 December 2007 (continued)

29. Indices

Items	2007 %	2006 %
1. Asset and resources structure		
- Fixed assets/Total assets	1%	0%
- Current assets/Total assets	90%	94%
2. Profitability rate		
- Profit/Turnover rate	59%	41%
- Profit/Equity rate	24%	22%
3. Financial situation:		
- Total liabilities/total assets	84%	75%
- Liquidity		
Current ratio: Current assets/Current liabilities	155%	132%
Quick ratio: (Current assets – inventories)/Current liabilities	155%	132%
Cash liquidity: Cash and cash equivalents/Current liabilities	31%	32%

30. Subsequent events

As of the date of issuance of these financial statements, the aggregate fair value of the Company's investments has decreased from the carrying amount of the investments as of 31 December 2007 due to falls in local markets. No adjustment has been made to the financial statements as of and for the year ended 31 December 2007.

On 20 March 2008, the board of management of the Company decided that all retained profits up to 31 December 2007 of the Company belong to Military Commercial Joint-Stock Bank.

31. Corresponding figures

Certain corresponding figures have been reclassified to conform with the current year's presentation.

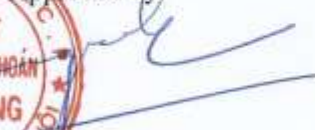
Prepared by:



Trương Tu Anh
Chief Accountant



Approved by:



Lê Đình Ngọc
General Director

