

**KIM ENG VIETNAM SECURITIES JOINT STOCK COMPANY**

**FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 14 DECEMBER 2007  
(DATE OF INCORPORATION) TO 31 DECEMBER 2008**

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## **KIM ENG VIETNAM SECURITIES JOINT STOCK COMPANY**

### **CORPORATE INFORMATION**

#### **Operation Licence No.**

Kim Eng Vietnam Securities Joint Stock Company ("the Company") is a joint stock company established in SR Vietnam.

Establishment Licence No. 71/UBCK-GP dated 14 December 2007 was issued by the State Securities Commission.

The registered office is at 255 Tran Hung Dao Street, District 1, Ho Chi Minh City

#### **Chartered capital**

The initial chartered capital pursuant to the Establishment Licence is VND200 billion.

#### **Board of Management**

Members of Board of Management were appointed in the meeting on 18 July 2007 including:

Mr Lam Hoang Loc	Chairman
Mr Le Minh Tam	Member
Ms Nguyen Thi Thanh Hien	Member
Mr. Ong Cheow Kheng	Member
Mr. Ong Seng Gee	Member (appointed on 14 July 2008)

#### **Board of General Directors**

Members of Board of General Directors in the first financial year and to the date of this report are as follows:

Mr Le Minh Tam	General Director
Mr Ong Cheow Kheng	Deputy General Director

#### **Compliance committee**

Members of Board of Supervisors were appointed in the meeting on 18 July 2007 including:

Mr Pham Thanh Tien  
Mr Tan Pei-San  
Mr Jason Foo

#### **Auditors**

PricewaterhouseCoopers (Vietnam) Limited

## KIM ENG VIETNAM SECURITIES JOINT STOCK COMPANY

### STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for financial statements which give a true and fair view of the financial position of the Company as at 31 December 2008 and the results of its operations and cash flows for the period from 14 December 2007 (date of incorporation) to 31 December 2008. In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

We, the Board of Directors are responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. We are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 5 to 19 which give a true and fair view of the financial position of the Company as at 31 December 2008 and of the results of its operations and cash flows for the period from 14 December 2007 (date of incorporation) to 31 December 2008 in accordance with Vietnamese Accounting Standards and prevailing regulations applicable to securities companies operating in SR Vietnam.

On behalf of the Board of Directors



Le Minh Tam  
General Director

Ho Chi Minh City, SR Vietnam  
23 February 2009



**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF MANAGEMENT  
OF KIM ENG VIETNAM SECURITIES JOINT STOCK COMPANY**

We have audited the accompanying financial statements of Kim Eng Vietnam Securities Joint Stock Company ("the Company"), which comprise the balance sheet as at 31 December 2008, the income statement and cash flow statement for the period from 14 December 2007 (date of incorporation) to 31 December 2008, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards and prevailing regulations applicable for securities companies operating in SR Vietnam. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2008, and its financial performance and cash flows for the period from 14 December 2007 (date of incorporation) to 31 December 2008 in accordance with Vietnamese Accounting Standards and prevailing regulations applicable to securities companies operating in SR Vietnam.



Ian S. Lydall  
AC No. N 0559/KTV  
Authorised signatory



Nguyen Hoang Nam  
AC No. 0849/KTV

PricewaterhouseCoopers (Vietnam) Limited  
Ho Chi Minh City, SR Vietnam  
Audit report number HCM2156  
23 February 2009

As indicated in Note 2.1 to the financial statements, the accompanying financial statements 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 jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.



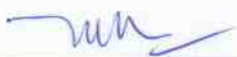
## BALANCE SHEET

Code	ASSETS	Note	As at 31 December 2008 Million VND
<b>A</b>	<b>CURRENT ASSETS</b>		<b>127,064</b>
<b>I</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>8,960</b>
1	Cash		5,960
2	Cash equivalents		3,000
<b>II</b>	<b>Short-term investments</b>	<b>4(a)</b>	<b>105,967</b>
1	Short-term investments		105,967
2	Provision for diminution in value of short-term investments		-
<b>III</b>	<b>Accounts receivable</b>		<b>9,780</b>
1	Trade accounts receivable		4,635
2	Prepayments to suppliers		173
5	Other receivables		4,972
6	Provision for doubtful debts		-
<b>V</b>	<b>Other current assets</b>		<b>2,357</b>
1	Short-term prepayments		868
2	Value Added Tax to be reclaimed		114
4	Other current assets		1,375
<b>B</b>	<b>LONG-TERM ASSETS</b>		<b>76,287</b>
<b>II</b>	<b>Fixed assets</b>		<b>27,381</b>
1	Tangible fixed assets	<b>5(a)</b>	<b>18,926</b>
	Cost		23,262
	Accumulated depreciation		(4,336)
3	Intangible fixed assets	<b>5(b)</b>	<b>7,809</b>
	Cost		9,542
	Accumulated amortisation		(1,733)
4	Construction in progress	<b>5(c)</b>	<b>646</b>
<b>IV</b>	<b>Long-term investments</b>	<b>4(b)</b>	<b>47,541</b>
3	Long-term investments in securities		47,541
	- Available for sale		1,085
	- Held to maturity		46,456
<b>V</b>	<b>Other long-term assets</b>		<b>1,365</b>
1	Long-term prepayments	<b>6</b>	1,245
3	Cash in the Settlement Supporting Fund		120
	<b>TOTAL ASSETS</b>		<b>203,351</b>

The notes on pages 9 to 19 are an integral part of these financial statements.

BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at 31 December 2008 Million VND
<b>A</b>	<b>LIABILITIES</b>		<b>8,284</b>
<b>I</b>	<b>Current liabilities</b>		<b>8,081</b>
2	Trade accounts payable		974
3	Advances from customers		205
4	Taxes and other payables to the State Budget	7	158
6	Accrued expenses	8	1,358
7	Inter-company payables	14	8
8	Payables for securities transactions		5,281
9	Dividends payable and bond principals and interest payables		53
11	Other payables		44
<b>II</b>	<b>Long-term liabilities</b>		<b>203</b>
6	Provision for severance allowances		203
<b>B</b>	<b>OWNERS' EQUITY</b>		<b>195,067</b>
<b>I</b>	<b>Capital and reserves</b>		<b>195,067</b>
1	Owners' capital	9	200,000
5	Differences upon asset revaluation	9	(3,250)
10	Accumulated losses	9	(1,683)
<b>II</b>	<b>Bonus and welfare fund</b>		-
	<b>TOTAL RESOURCES</b>		<b>203,351</b>


  
 Ngo Thanh Thuy  
 Chief Accountant

  
 Le Minh Tam  
 General Director  
 23 February 2009

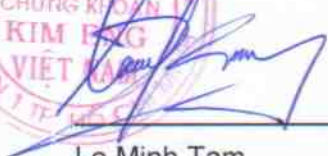


## INCOME STATEMENT

		Period from 14 December 2007 to 31 December 2008	
Code	Note	Million VND	
<b>1</b>	<b>Revenue</b>	<b>30,114</b>	
	In which:		
	On securities brokerage activities	4,201	
	On securities investments and capital contribution	2,626	
	On investment consultant activities	537	
	On securities depository	70	
	Others	22,680	
<b>2</b>	<b>Less deductions</b>	<b>-</b>	
<b>3</b>	<b>Net revenue</b>	<b>30,114</b>	
<b>4</b>	Operating expenses	10	(12,557)
<b>5</b>	<b>Gross operating profit</b>	<b>17,557</b>	
<b>6</b>	General and administration expenses	11	(19,216)
<b>7</b>	<b>Net operating loss before tax</b>	<b>(1,659)</b>	
<b>8</b>	Other income	12	14
<b>9</b>	Other expenses	12	(38)
<b>10</b>	<b>Net other expenses</b>	<b>(24)</b>	
<b>11</b>	<b>Net accounting loss before tax</b>	<b>(1,683)</b>	
<b>12</b>	Business income tax - current	13	-
<b>13</b>	Business income tax - deferred	13	-
<b>14</b>	<b>Net loss after tax</b>	<b>(1,683)</b>	

  
 Ngo Thanh Thuy  
 Chief Accountant



  
 Le Minh Tam  
 General Director  
 23 February 2009

**CASH FLOW STATEMENT**  
 (direct method)

		Period from 14 December 2007 to 31 December 2008 Million VND
Code	Note	
<b>I</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
1	Cash received from customers	5,013
2	Cash paid for operating activities	(18,959)
3	Cash paid to Settlement Supporting Fund	(120)
4	Cash receipts from clients for trading	4,965,499
5	Cash payments to clients for trading	(4,959,928)
8	Cash paid to suppliers	(5,409)
9	Cash paid to and on behalf of employees	(9,747)
10	Interest paid	(70)
12	Other receipts from operating activities	14
13	Other payments on operating activities	(36)
	<b>Net cash outflows from operating activities</b>	<b>(23,743)</b>
<b>II</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
1	Purchases of fixed assets and other long-term assets	(31,866)
3	Loans granted, purchases of debt instruments of other entities	(134,456)
5	Investments in other entities	(51,352)
6	Proceeds from divestment in other entities	29,050
7	Dividends and interest received	21,321
	<b>Net cash outflows from investing activities</b>	<b>(167,303)</b>
<b>III</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
1	Proceeds from capital contribution	200,000
	<b>Net cash inflows from financing activities</b>	<b>200,000</b>
	<b>Net increase in cash and cash equivalents</b>	<b>8,954</b>
	<b>Cash and cash equivalents at beginning of year</b>	<b>-</b>
	Effect of foreign exchange differences	6
	<b>Cash and cash equivalents at end of year</b>	<b>8,960</b>



 Ngo Thanh Thuy  
 Chief Accountant

 Le Minh Tam  
 General Director  
 23 February 2009



**FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 14 DECEMBER 2007  
(DATE OF INCORPORATION) TO 31 DECEMBER 2008**

**1 GENERAL INFORMATION**

Kim Eng Vietnam Securities Joint Stock Company ("the Company") was established in SR Vietnam pursuant to Establishment Licence No. 71/UBCK-GP, dated 14 December 2007, issued by the State Securities Commission.

The principal activity of the Company is to provide securities brokerage services, proprietary trading activities, investment consultancy, investment portfolio management and securities depository activities.

As at 31 December 2008, the Company had 81 employees.

**2 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards and prevailing regulations applicable for securities companies operating in SR Vietnam. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale investments at fair value through equity.

The accompanying financial statements 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 jurisdictions other than SR Vietnam. The accounting principles and practices utilised in SR Vietnam may differ from those generally accepted in countries and jurisdictions other than SR Vietnam.

**2.2 Fiscal year**

The Company's fiscal year is from 1 January to 31 December. The first fiscal year is from 14 December 2007 (date of incorporation) to 31 December 2008.

**2.3 Currency**

The financial statements are measured in Vietnamese dong and presented using millions of Vietnamese Dong.

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognized in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising from these translations are recognized in the income statement.

**2.4 Form of records applied**

The Company uses general journal to record its transactions.



**2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, deposits for proceeds collected from underwriting activities, deposits for clearing settlement and other short-term investments with an original maturity of three months or less.

**2.6 Investments****(a) Short-term investments***Short-term investments in securities*

Short-term investments in securities are initially recorded at cost of acquisition. Subsequently, they are measured at cost less provision. Provision is made where there is a diminution in value of these investments. Provision is recognised as expense in the income statement.

Dividends earned from equity securities during the year are recognised in the income statement. Interest incomes earned from debt securities are recognised as a deduction in carrying value of trading securities for the portion incurred before the purchasing date and as an investment income for the portion incurred since the purchasing date.

*Repurchase and reverse repurchase agreements ("repo")*

Securities sold under agreements to repurchase at a specified future date are not derecognised from balance sheet. The corresponding cash received is separately recognised as a liability in the balance sheet. The different between the selling price and repurchasing price is recognised 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 date are recognised in the short-term investments on the balance sheet. The different between the purchasing price and reselling price is recognised 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.

**(b) Long-term investments***Available-for-sale investments*

Available for sales investments are initially recorded at cost of acquisition. Subsequently, they are measured at fair value.

Changes in the fair value of available-for-sale investments are recognised in equity and are taken to the income statement upon sales.

**2.6 Investments (continued)****(b) Long-term investments (continued)***Held-to-maturity investments*

Held to maturity investments are recorded at cost of acquisition. Subsequently, they are measured at amortised cost using the effective interest method.

Interest incomes earned from debt securities are recognised as a deduction in carrying value of trading securities for the portion incurred before the purchasing date and as an investment income for the portion incurred since the purchasing date.

**2.7 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

*Depreciation*

Fixed assets are depreciated using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Office leasehold improvements	3 years
Machinery and equipment	3 – 5 years
Motor vehicles	3 years
Computer software	5 years

*Disposals*

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

**2.8 Pre-operating expenses**

Pre-operating expenses are recognized in the income statement, except for establishment costs, relocation costs, expenditures on training and advertising activities. These expenses are recognized as long-term prepayments and amortized to the income statement over a period of 2 years from the commencement of operations.

**2.9 Borrowing costs**

Borrowing is used to finance the Company's working capital. Borrowing costs are recognised in the income statement when incurred.



**2.10 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

*Revenue from provision of services*

Revenue is recognised to the extent of work-completion when the result of the contract can be measured reliably. In the case when the contract result can not be ensured, the revenue will only be recognised as recoverable expenses.

*Trading income*

Trading incomes are determined by the difference between cost and selling price.

*Interest income*

Interest income is recognised in the income statement on an accruals basis.

*Dividend*

Dividends are recognised when the right to receive dividends is established.

**2.11 Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2.12 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.



**2.13 Provisions**

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

**2.14 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Company are entitled to a severance allowance based on their years of service. This will be paid as a lump sum when the employee leaves the Company. A provision for severance allowances is made for the estimated liability for employment termination as a result of services rendered by employees up to the balance sheet date. The provision is calculated on the basis of a half-month salary for each employee for each year of service with the Company, based on salary levels at the balance sheet date.

**2.15 Recognition of dividend distribution and reserves***Dividends*

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends are approved and paid to shareholders after the business income tax and statutory reserves are provided in accordance with prevailing regulations of Vietnam.

*Financial reserve*

Financial reserve is provided at 5% of the net profit after tax each year until the reserve balance reaches 10% of the Company's chartered capital according to Circular 11/2000/TT-BTC dated 1 February 2000 issued by the Ministry of Finance applicable for securities companies. Financial reserve is to secure the Company from risk of loss or contingency liabilities.

*Capital supplementary reserve*

Capital supplementary reserve is provided at 5% of the net profit after tax each year until the reserve balance reaches 10% of the Company's chartered capital according to Circular 11/2000/TT-BTC dated 1 February 2000 issued by the Ministry of Finance applicable for securities companies. Capital supplementary reserve is used to expand the Company's operation or supplement its chartered capital.

**3 CASH AND CASH EQUIVALENTS**

	2008 Million VND
Cash on hand	19
Cash at bank	370
Deposits for clearing settlement	5,571
Cash equivalents (*)	3,000
	<u>8,960</u>

(\*) Cash equivalents include term deposits with maturity within 3 months.

**4 INVESTMENTS****(a) Short-term investments**

	Book value	2008 Compared to market value	Market value	Variances
	Million VND	Increase Million VND	Decrease Million VND	Million VND
Repo transactions	17,967	-	-	-
Term deposits with maturity longer than 3 months	88,000	-	-	-
	<u>105,967</u>	<u>-</u>	<u>-</u>	<u>-</u>

Information about market value is not required since the short-term investments are repo transactions and short-term bank deposits with maturity longer than 3 months.

**(b) Long-term investments***Available-for-sale investments*

	Book value	2008 Compared to market value	Market value	Provision
	Million VND	Increase Million VND	Decrease Million VND	Million VND
Listed available for sale securities	4,335	-	(3,250)	(3,250)

**4 INVESTMENTS (continued)****(b) Long -term investments (continued)***Held-to-maturity investments*

	Cost Million VND
Held to maturity	46,456

It is noted that an amount of VND1,518 million of interest receivable arising from held-to-maturity investments is recorded in other receivables.

**5 FIXED ASSETS****(a) Tangible fixed assets**

	Office leasehold improvements Million VND	Machinery, equipment Million VND	Motor vehicles Million VND	Office equipment Million VND	Total Million VND
<b>Historical cost</b>					
At 14 December 2007	-	-	-	-	-
New purchases	7,410	13,089	1,933	898	23,330
Disposals	-	(68)	-	-	(68)
At 31 December 2008	7,410	13,021	1,933	898	23,262
<b>Accumulated depreciation</b>					
At 14 December 2007	-	-	-	-	-
Charge for the year	926	3,012	240	169	4,347
Disposals	-	(11)	-	-	(11)
At 31 December 2008	926	3,001	240	169	4,336
<b>Net book value</b>					
At 14 December 2007	-	-	-	-	-
At 31 December 2008	6,484	10,020	1,693	729	18,926



**5 FIXED ASSETS (continued)****(b) Intangible fixed assets**Computer software  
Million VND**Historical cost**

At 14 December 2007

-

New purchases

9,542

At 31 December 2008

9,542

**Accumulated amortisation**

At 14 December 2007

-

Charge for the year

(1,733)

At 31 December 2008

(1,733)

**Net book value**

At 14 December 2007

-

At 31 December 2008

7,809

**(c) Construction in progress**2008  
Million VND

Beginning of period

-

Additions

3,751

Transfers to tangible fixed assets

(3,105)

End of period

646

**6 LONG-TERM PREPAYMENTS**2008  
Million VND

Beginning of period

-

Additions

1,660

Amortisation for the period

(415)

End of period

1,245

Long-term prepayments pertain the pre-operating expenses and are amortised over 2 years.

**7 TAXES AND OTHER PAYABLES TO THE STATE BUDGET****2008**  
**Million VND****Taxes**

Personal Income Tax

158

158**8 ACCRUED EXPENSES****2008**  
**Million VND**

13th month salary and bonus

745

Professional fees

144

Securities transaction fees

159

Others

310

1,358**9 MOVEMENTS IN OWNER'S EQUITY**

	Opening balance Million VND	Increase Million VND	Decrease Million VND	Closing balance Million VND
<b>I Capital and reserves</b>				
1 Owners' capital	-	200,000	-	200,000
5 Differences upon asset revaluation	-	-	(3,250)	(3,250)
10 Accumulated losses	-	-	(1,683)	(1,683)
	<u>-</u>	<u>200,000</u>	<u>(4,933)</u>	<u>195,067</u>

**10 OPERATING EXPENSES****2008**  
**Million VND**

On securities brokerage activities

1,584

On self trading activities

300

On capital use

102

On securities underwriting activities

50

Other direct costs

10,521

12,557

**11 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2008</b> <b>Million VND</b>
Depreciation of fixed assets	3,905
Staff costs	6,077
Materials, stationery	95
Tools	650
Tax and other related fees	5
Outside services	8,484
	<u>19,216</u>

**12 NET OTHER EXPENSES**

	<b>2008</b> <b>Million VND</b>
Other income	14
Other expenses	(38)
Net other expenses	<u>(24)</u>

**13 BUSINESS INCOME TAX ("BIT")**

No BIT was provided for the period because the Company made loss result.

A temporary difference of VND3,250 million arises from the revaluation of available for sale investments. The deferred tax asset of VND813 million arising from this temporary difference was not recognised in the financial statements as it is not probable that future taxable profit will be available against this temporary difference which can be utilised.

**14 RELATED PARTY TRANSACTIONS**

The Company is controlled by Kim Eng Holdings Singapore which owns 49% of the Company's legal capital.

**(a) Related party transactions**

During the year, the following transactions were carried out with related parties:

**i) Securities brokerage fees and confirming fees**

	<b>2008</b> <b>Million VND</b>
Fellow group subsidiaries	
Kim Eng Securities Pte.Ltd-Trust	24
Kim Eng Securities (Thailand) Public	14
Other related parties	24
	<u>62</u>



**14 RELATED PARTY TRANSACTIONS (continued)****(a) Related party transactions (continued)****ii) Purchases of fixed assets**2008  
Million VND

Other related parties

509

**iii) Compensation of key management**2008  
Million VND

Gross salaries and other benefits

1,310

**(b) Year end balances with related parties**2008  
Million VND

Payable to Kim Eng Holdings Singapore

8

**15 CAPITAL COMMITMENTS**

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

2008  
Million VND


Plant and equipment  
Intangible assets

113

1,105

1,218

The financial statements were approved by the Board of Directors on 23 February 2009.

  
\_\_\_\_\_  
Ngo Thanh Thuy  
Chief Accountant

  
  
\_\_\_\_\_  
Le Minh Tam  
General Director