



**Manulife Vietnam Fund Management
Company Limited**

Report of the Chairwoman
and
Audited financial statements

31 December 2009

Manulife Vietnam Fund Management Company Limited

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Manulife Vietnam Fund Management Company Limited

REPORT OF THE CHAIRWOMAN

The Chairwoman of Manulife Vietnam Fund Management Company Limited ("the Company") is pleased to present its report and the Company's financial statements as at 31 December 2009 and for the year then ended.

THE COMPANY

The Company is a one-member limited liability company established in accordance with Business Registration Certificate No. 4104000117 issued by the Ho Chi Minh City Planning and Investment Department on 10 June 2005 and Decision No. 04/UBCK-GPHDQLQ issued by the State Securities Commission on 14 June 2005 and the following amended decisions:

<i>Amended decision no.</i>	<i>Date</i>
No.413/QD-UBCK	12 July 2007
No.06/UBCK-GPDCQLQ	11 October 2007
No.13/UBCK-GPDCQLQ	3 April 2008

The Company's sole owner is Manulife (Vietnam) Limited, a 100% foreign-owned enterprise incorporated under the Law on Enterprise of Vietnam pursuant to Investment License No. 2122/GP issued by the Ministry of Planning and Investment on 12 June 1999 and Certificate of Eligibility to carry out insurance business No. 13TC/GCN issued by the Ministry of Finance on 20 May 1999. The Company re-registered itself under the Law of Insurance Business and received Licence of Establishment and Operation No. 13GP/KDBH issued by the Ministry of Finance on 24 January 2005 and the Amended Business License No. 13/GPDC1/KDBH on 13 September 2006, 13/GPDC3/KDBH on 6 December 2007 and 13/GPDC4/KDBH on 13 May 2008.

The principal activities of the Company are to establish and manage the investment fund and its securities portfolio.

The Company's head office is located at 75 Hoang Van Thai Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam.

RESULTS

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Net (loss) profit for the year	(8,383,243,646)	3,821,471,284
Retained earnings at the end of the year	2,348,145,920	10,731,389,566

THE CHAIRWOMAN

The Chairwoman during the year ended 31 December 2009 and at the date of this report is Ms Trinh Bich Ngoc.

EVENTS AFTER 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 accompanying financial statements.

AUDITORS

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

Manulife Vietnam Fund Management Company Limited

REPORT OF THE CHAIRWOMAN (continued)

STATEMENT OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's management is responsible for the financial statements of the financial year which give a true and fair view of the state of affairs of the Company and of its results and cash flows for the year. In preparing those financial statements, management is required to:

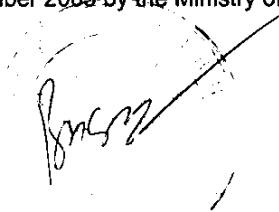
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the registered accounting system. It is 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.

The Company's management has confirmed to the Chairwoman that the Company has complied with the above requirements in preparing the accompanying financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

I hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2009, the results of its operations and the cash flows for the year then ended in accordance with Vietnamese Accounting Standards and System for fund management companies as per Decision No. 62/2005/QD-BTC dated 14 September 2005 by the Ministry of Finance and comply with relevant statutory requirements.



Ms Trinh Bich Ngoc
Chairwoman

Ho Chi Minh City, Vietnam

1 March 2010

Reference: 60760012/14135108

INDEPENDENT AUDITORS' REPORT

To: **The Chairwoman of Manulife Vietnam Fund Management Company Limited**

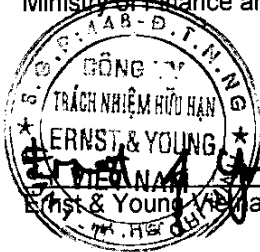
We have audited the balance sheet of Manulife Vietnam Fund Management Company Limited ("the Company") as at 31 December 2009, the income statement, the cash flow statement for the year then ended and the notes thereto as set out on pages 4 to 20 (collectively referred to as "the financial statements"). 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.

Basis of opinion

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 the Company's management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2009, the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards and Accounting System for fund management companies based on Decision No. 62/2005/QĐ-BTC dated 14 September 2005 by the Ministry of Finance and comply with the relevant statutory requirements.



Maria Cristina M. Calimbas
Ernst & Young Vietnam Limited

Maria Cristina M. Calimbas
Maria Cristina M. Calimbas
Deputy General Director
Registered Auditor
Certificate No. N.1073/KTV

Dao Thanh Tung
Dao Thanh Tung
Auditor-in-charge
Registered Auditor
Certificate No. 0516/KTV

Ho Chi Minh City, Vietnam

1 March 2010

BALANCE SHEET
as at 31 December 2009

VND

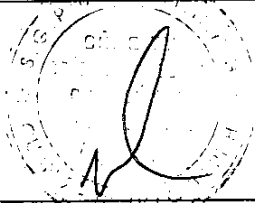
Code	ASSETS	Note	Ending balance	Beginning balance
100	A. CURRENT ASSETS		40,830,310,410	40,199,122,583
110	<i>I. Cash and cash equivalents</i>	4	39,275,013,229	34,291,024,698
112	1. Cash in bank		5,758,541,404	3,141,619,774
114	2. Cash equivalents		33,516,471,825	31,149,404,924
130	<i>II. Current accounts receivable</i>	5	834,219,651	5,039,626,760
132	1. Receivable from fund management activities		305,128,782	157,782,122
133	2. Receivable from related parties		-	4,517,811,224
134	3. Other receivables		529,090,869	364,033,414
150	<i>III. Other current assets</i>		721,077,530	868,471,125
151	1. Tools		6,641,244	12,712,809
152	2. Other current assets	6	714,436,286	855,758,316
200	B. NON-CURRENT ASSETS		2,820,866,115	2,093,152,116
210	<i>I. Fixed assets</i>	7	249,722,869	355,394,791
211	1. Tangible fixed assets		249,722,869	355,394,791
212	Cost		528,359,604	528,359,604
213	Accumulated depreciation		(278,636,735)	(172,964,813)
260	<i>II. Other long-term assets</i>		2,571,143,246	1,737,757,325
261	1. Long-term prepaid expenses	8	1,178,127,172	1,518,959,524
262	2. Deferred tax assets	16.3	1,084,891,074	161,739,961
263	3. Other long-term assets	9	308,125,000	57,057,840
270	TOTAL ASSETS		43,651,176,525	42,292,274,699

BALANCE SHEET (continued)
as at 31 December 2009

VND

Code	RESOURCES	Note	Ending balance	Beginning balance
300	A. LIABILITIES		15,303,030,605	5,560,885,133
310	i. Current liabilities		15,025,715,745	5,144,430,773
312	1. Trade payables		-	-
313	2. Statutory obligations	10	348,095,610	502,977,013
315	3. Accrued expenses	11	2,310,668,954	1,174,421,890
316	4. Payables to related parties	17	12,362,819,385	3,459,621,614
317	5. Other payables		4,131,796	7,410,256
340	ii. Other long-term liabilities		277,314,860	416,454,360
341	1. Provision for severance allowance		233,319,500	372,459,000
346	2. Provision for retrenchment allowance		43,995,360	43,995,360
400	B. OWNER'S EQUITY	12	28,348,145,920	36,731,389,566
411	1. Contributed capital		26,000,000,000	26,000,000,000
420	2. Retained earnings		2,348,145,920	10,731,389,566
430	TOTAL LIABILITIES AND OWNER'S EQUITY		43,651,176,525	42,292,274,699


Mr Tran Hong Tien
Chief Accountant


Mr Chow Wing Kee
Acting General Director

Ho Chi Minh City, Vietnam

1 March 2010

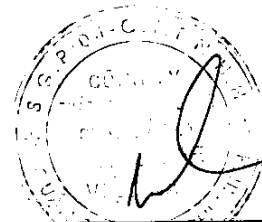
INCOME STATEMENT
for the year ended 31 December 2009

VND

Code	ITEMS	Note	Current year	Previous year
01	Revenue from operations	13	10,704,165,151	16,045,196,964
02	Deductions		-	-
10	Net revenue from operations		10,704,165,151	16,045,196,964
13	Income from financial activities	14	2,416,088,976	3,770,975,770
14	Expenses from financial activities		(490,455,569)	(101,318,721)
15	General and administration expenses	15	(21,936,193,317)	(15,522,634,224)
16	Operating (loss) profit		(9,306,394,759)	4,192,219,789
20	(Loss) profit before tax		(9,306,394,759)	4,192,219,789
21	Current corporate income tax expense	16.1	-	(532,488,466)
22	Deferred income tax benefit	16.3	923,151,113	161,739,961
23	Net (loss) profit after tax		(8,383,243,646)	3,821,471,284



Mr Tran Hong Tien
Chief Accountant



Mr Chow Wing Kee
Acting General Director

Ho Chi Minh City, Vietnam

1 March 2010

CASH FLOW STATEMENT (direct method)
for the year ended 31 December 2009

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Cash flows from fund management activities		2,495,435,010	3,190,509,788
05	2. Cash flows from other operating activities		23,657,840	2,200,000
08	3. Cash paid to Government		-	(887,174,983)
09	4. Cash paid to employees		-	(132,879,913)
11	5. Other cash flows used in operating activities		(2,321,221)	(3,054,017,927)
30	Net cash flows (used in) from operating activities		2,516,771,629	(881,363,035)
	II. CASH FLOWS FROM AN INVESTING ACTIVITY			
37	1. Interest received		2,467,216,902	3,427,271,920
40	Net cash flows from an investing activity		2,467,216,902	3,427,271,920
	III. CASH FLOWS FROM A FINANCING ACTIVITY			
50	Net cash flows from financing activity		-	-
60	Net increase in cash and cash equivalents		4,983,988,531	2,545,908,885
70	Cash and cash equivalents at beginning of year		34,291,024,698	31,745,115,813
90	Cash and cash equivalents at end of year	4	39,275,013,229	34,291,024,698



Mr Tran Hong Tien
Chief Accountant



Mr Chow Wing Kee
Acting General Director

Ho Chi Minh City, Vietnam

1 March 2010

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009 and for the year then ended

1. THE COMPANY

Manulife Vietnam Fund Management Company Limited ("the Company") is a one-member limited liability company established in accordance with Business Registration Certificate No. 4104000117 issued by the Ho Chi Minh City Planning and Investment Department on 10 June 2005 and Decision No. 04/UBCK-GPHDQLQ issued by the State Securities Commission on 14 June 2005 and the following amendments:

<i>Amended decision no.</i>	<i>Date</i>
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The principal activities of the Company are to establish and manage the investment fund and its securities portfolio.

The Company's head office is located at 75 Hoang Van Thai Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam.

The number of Company's employees as at 31 December 2009 is 15 persons (31 December 2008: 18 persons).

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The financial statements of the Company, expressed in Vietnam Dong ("VND"), are prepared in accordance with Vietnamese Accounting Standards and System applied for fund management companies based on Decision No. 62/2005/QD-BTC dated 14 September 2005 by the Ministry of Finance. According to this decision letter, the Company's financial statements should include the following reports:

1. Balance sheet;
2. Income statement;
3. Cash flow statement (direct method); and
4. Notes to the financial statements.

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

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

2. BASIS OF PREPARATION (continued)

2.1 Accounting standards and system (continued)

Accounting standard and guidance issued but not yet effective

On 6 November 2009, the Ministry of Finance issued Circular 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments. The adoption of the circular will require further disclosures and have impact on the presentation of certain financial instruments in the financial statements. The circular will become effective for financial years ending on or after 31 December 2011. The Company's management is currently assessing the impact of adopting the circular on the future financial statements of the Company.

2.2 Registered accounting documentation system

The Company's registered accounting documentation system is the General Journal system.

2.3 Financial year

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

2.4 Accounting currency

The Company maintains its accounting records in Vietnam Dong.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Receivables

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

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the income statement.

3.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises 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 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 31 December 2009 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Tangible fixed assets* (continued)

Depreciation

Depreciation of office equipment is calculated on a straight-line basis over an estimated useful life of five years.

3.4 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3.5 *Payables and accruals*

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.6 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting period for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any changes to the accrued amount will be taken to the income statement.

3.7 *Other provisions*

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.8 *Foreign currency transactions*

The Company follows the guidance under VAS 10 "The Effects of Changes in Exchange Rates" (the "VAS 10") in relation to foreign currency transactions as applied consistently in prior year.

Transactions in currencies other than the Company's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. 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. All realised and unrealised foreign exchange differences are taken to the income statement.

The above guidance related to unrealized foreign exchange differences provided by VAS 10 is different from those stipulated in the Circular 201/2009/TT-BTC issued on 15 October 2009 by the Ministry of Finance providing guidance for the treatment of foreign exchange differences (the "Circular 201") as follows:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Foreign currency transactions (continued)

<i>Transaction</i>	<i>Accounting treatment under VAS 10</i>	<i>Accounting treatment under circular 201</i>
Translation of short-term monetary assets and liabilities denominated in foreign currencies	All unrealised foreign exchange differences are taken to the income statement.	All unrealised foreign exchange differences are taken to the "Foreign exchange differences reserve" account in the equity section of the balance sheet and will be reversed on the following year.
Translation of long-term monetary liabilities denominated in foreign currencies at year end	All unrealised foreign exchange differences are taken to the income statement.	All unrealized foreign exchange gains are taken to the income statement. All foreign exchange losses will be charged to the income statement. However, if the charging of all foreign exchange losses results in net loss before tax for the company, part of the exchange losses can be deferred and allocated to the income statement within the subsequent five years. In any case, the total foreign exchange loss to be charged to current year's income must be at least equivalent to the foreign exchange losses arising from the translation of the current portion of the long-term liabilities, while 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.

The impact to the financial statements should the Company adopt Circular 201 as at 31 December 2009 and for the year then ended is presented in Note 18.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 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. The following specific revenue recognition criteria must also be met before revenue is recognised.

Management fee

Revenue is recognised on an accrual basis in accordance with the terms and conditions of the investment management agreement.

Interest income

Revenue is recognised as interest accrues (taking into account the effective field on the asset) unless the collectibility is in doubt.

3.10 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior period 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 is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a 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 recognised 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 related transaction affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

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 the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Taxation (continued)

Deferred tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised 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 recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

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.

4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Current accounts		
Citi Bank, Ho Chi Minh City Branch	5,660,136,543	3,141,619,774
HSBC Bank (Vietnam) Ltd.	98,404,861	-
Short-term deposits		
Deutsche Bank AG, Ho Chi Minh City Branch	17,241,395,586	-
ANZ Bank, Ho Chi Minh City Branch	16,275,076,239	16,129,247,311
Standard Chartered Ha Noi Branch	-	15,020,157,613
TOTAL	<u>39,275,013,229</u>	<u>34,291,024,698</u>

5. CURRENT ACCOUNTS RECEIVABLE

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Receivable from fund management activities	305,128,782	157,782,122
Interest income receivable from short-term deposits	303,375,248	364,033,414
Receivable from related parties	-	4,517,811,224
Others	225,715,621	-
TOTAL	<u>834,219,651</u>	<u>5,039,626,760</u>

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

6. OTHER CURRENT ASSETS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term prepaid expenses	712,036,203	855,710,716
Advances to employees	2,400,000	47,600
Coporated income tax receivable (see note 16.2)	83	-
TOTAL	<u>714,436,286</u>	<u>855,758,316</u>

7. TANGIBLE FIXED ASSETS

	VND	
		<i>Office equipment</i>
Cost:		
Beginning balance		528,359,604
Purchases for the year		-
Ending balance		<u>528,359,604</u>
Accumulated depreciation:		
Beginning balance		172,964,813
Depreciation for the year		<u>105,671,922</u>
Ending balance		<u>278,636,735</u>
Net book value:		
Beginning balance		<u>355,394,791</u>
Ending balance		<u>249,722,869</u>

8. LONG-TERM PREPAID EXPENSES

Long-term prepaid expenses mainly represent prepayments for the Portia software related services from the Manulife Financial Company Ltd. - Hong Kong.

9. OTHER LONG-TERM ASSETS

Other long-terms assets represent deposits for house rental for expatriates.

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

10. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Personal income tax	246,770,247	288,202,962
Withholding tax	101,325,363	98,121,286
Corporate income tax	-	116,652,765
TOTAL	<u>348,095,610</u>	<u>502,977,013</u>

11. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bonus	2,087,949,049	640,664,955
Professional fees	64,631,193	68,726,892
Relocation fee	-	300,000,000
Others	158,088,712	165,030,043
TOTAL	<u>2,310,668,954</u>	<u>1,174,421,890</u>

12. OWNER'S EQUITY

12.1 Movements in owner's equity

	VND		
	<i>Contributed legal capital</i>	<i>Retained earnings</i>	<i>Total</i>
Previous year:			
Beginning balance	26,000,000,000	6,909,918,282	32,909,918,282
Net profit for the year	-	3,821,471,284	3,821,471,284
Ending balance	<u>26,000,000,000</u>	<u>10,731,389,566</u>	<u>36,731,389,566</u>
Current year:			
Beginning balance	26,000,000,000	10,731,389,566	36,731,389,566
Net loss for the year	-	(8,383,243,646)	(8,383,243,646)
Ending balance	<u>26,000,000,000</u>	<u>2,348,145,920</u>	<u>28,348,145,920</u>

12.2 Legal capital

	VND		
	<i>Per business license</i>	<i>%</i>	<i>Contributed</i>
Manulife (Vietnam) Limited	<u>26,000,000,000</u>	<u>100</u>	<u>26,000,000,000</u>

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

13. REVENUE FROM OPERATIONS

Revenue comprises management fees from:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Manulife (Vietnam) Limited	8,061,383,481	13,441,710,334
Manulife Progressive Fund	2,585,430,521	2,603,486,630
Korea Life Insurance Company Limited (Vietnam)	57,351,149	-
TOTAL	<u>10,704,165,151</u>	<u>16,045,196,964</u>

14. INCOME FROM FINANCIAL ACTIVITIES

Income from financial activities mainly represents interest income from term-deposits with banks amounting to VND 2,406,558,736 (2008: VND 3,770,976,770).

15. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labour costs	15,188,828,676	10,048,720,992
Expenses for external services	2,753,946,147	1,250,679,496
Rental fees	1,464,750,836	1,356,049,134
Depreciation (see Note 7)	105,671,922	105,398,571
Other expenses	2,422,995,736	2,761,786,031
TOTAL	<u>21,936,193,317</u>	<u>15,522,634,224</u>

16. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits in the first 10 years since the commencement of commercial operations and 25% of taxable profits thereafter.

The Company is entitled to an exemption from CIT for two (2) years commencing with the first year of earning taxable profits (2006), and a 50% reduction for the following three (3) years. As the Company reported a tax loss for the current year, no provision for CIT has been made.

The tax returns filed by Company 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, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

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

16. CORPORATE INCOME TAX (continued)

16.1 CIT expense

	VND	
	Current year	Previous year
Current CIT expense	-	532,488,466
Deferred CIT benefit	(923,151,113)	(161,739,961)
TOTAL	(923,151,113)	370,748,505

16.2 Current CIT

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

A reconciliation between the profit (loss) before tax and taxable profit (loss) is presented below:

	VND	
	Current year	Previous year
(Loss) profit before tax	(9,306,394,759)	4,192,219,789
Adjustments		
Insurance expense for employees	23,214,840	30,330,792
Penalty	1,100,000	-
Non-valid expenses	50,568,788	97,305,365
Increase in accrued expenses	1,138,402,264	1,143,621,890
(Decrease) increase in termination allowance	(139,139,500)	191,835,500
Previous year's unrealised foreign exchange loss	-	101,318,721
Estimated current taxable (loss) income	(8,232,248,367)	5,756,632,057
Estimated current CIT (10%)	-	575,663,206
CIT reduction according to Resolution No. 30/2008/NQ-CP	-	43,174,740
Estimated current CIT after reduction	-	532,488,466
CIT payable at beginning of year	116,652,765	-
CIT paid during year	(116,652,848)	(415,835,701)
CIT (receivable) payable at end of year	(83)	116,652,765

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

16. CORPORATE INCOME TAX (continued)

16.3 Deferred CIT

The following are the deferred tax assets recognised by the Company, and the movements thereon, during the current and prior reporting year.

	<i>Balance sheet</i>		<i>Credit to income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Tax losses available for offset against future taxable income	823,224,837	-	823,224,837	-
Accrued expenses	228,202,415	114,362,189	113,840,226	114,362,189
Termination allowance	23,331,950	37,245,900	(13,913,950)	37,245,900
Unrealised foreign exchange loss	10,131,872	10,131,872	-	10,131,872
	1,084,891,074	161,739,961		
Net deferred income tax benefit			923,151,113	161,739,961

The Company believes that the carried forward tax losses and other temporary differences can be utilised against future taxable profits.

17. RELATED PARTY TRANSACTIONS AND BALANCES

Significant transactions with related parties during the year were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Amount</i>
Manulife (Vietnam) Limited	Investor company	Management fee	8,061,383,481
		Rental fee	1,464,750,836
		Service fee	1,008,467,582
		Salary expenses paid on behalf of the Company	5,009,414,146
		Other expenses paid on behalf of the Company	8,486,516,187
Manulife Financial Company Ltd. - Hong Kong	Affiliate	Expatriates' salary expenses paid on behalf of the Company	4,348,751,894
		Other expenses paid on behalf of the Company	1,164,491,833

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

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Details of amounts payable to related companies at the balance sheet date were as follows:

<i>Related company</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i> <i>Payable</i>
Accounts payable:			
The Manulife (Vietnam) Limited	Investor company	Other expenses	3,389,954,044
Manulife Financial Company Ltd. - Hong Kong	Affiliate	Personnel cost	5,606,617,041
		Other expenses	<u>3,366,248,300</u>
TOTAL			<u>12,362,819,385</u>

18. IMPACT OF CIRCULAR 201 TO THE FINANCIAL STATEMENTS

As mentioned in Note 3.8, the Company continues to follow the guidance provided under VAS 10 on foreign currency transactions which is different from that stipulated in the Circular 201.

Had the Company adopted Circular 201 in 2009, the financial position and financial operating results of the Company would have been as follows:

	<i>VAS 10</i>	<i>Circular 201</i>	<i>VND</i> <i>Difference</i>
Balance sheet			
Current monetary assets	40,111,632,963	40,111,632,963	-
Non-current monetary assets	308,125,000	308,125,000	-
Current monetary liabilities	12,715,046,791	12,715,046,791	-
Non-current monetary liabilities	-	-	-
Foreign exchange difference reserve	-	(490,455,569)	490,455,569
Income statement			
Foreign exchange loss charged to income statements	(490,455,569)	-	(490,455,569)

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

19. COMMITMENTS

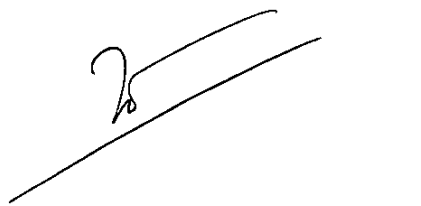
Operating lease commitments

The Company leases office premises and houses under operating lease arrangements. The minimum lease commitments as at 31 December 2009 under the operating lease agreements are as follows:

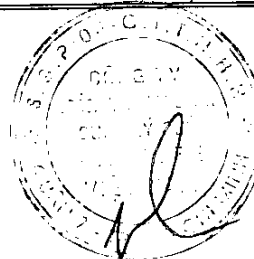
	VND	
	<i>Current year</i>	<i>Previous year</i>
Less than 1 year	1,297,713,038	2,363,911,632
From 1-5 years	-	1,502,905,902
More than 5 years	-	-

20. INDICES

<i>Items</i>	<i>Current year</i>	<i>Previous year</i>
1. Assets structure		
Non-current assets/Total assets	6.46%	4.95%
Current assets/Total assets	93.54%	95.05%
2. Profitability ratio		
(Loss)/profit after tax/revenue	(78.32%)	23.82%
(Loss)/profit after tax/Chartered capital	(32.24%)	14.70%
3. Financial position		
Total liabilities/Total assets	35.06%	13.15%
Cash and short-term investments/Total short-term liabilities	261.39%	666.57%
Net carrying amount of fixed assets/Owners' equity	0.88%	0.97%



Mr Tran Hong Tien
Chief Accountant



Mr Chow Wing Kee
Acting General Director

Ho Chi Minh City, Vietnam

1 March 2010