Binh Chanh Construction Investment Joint Stock Company

Separate financial statements

31 December 2011

Ernst & Young

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CONTENTS

Binh Chanh Construction Investment Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Binh Chanh Construction Investment Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 056668 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 December 1999, as amended.

The Company's principal activities are to develop and trade real estate properties including house, land use rights and infrastructure, to provide construction consulting, site clearance and brokerage on land properties.

The Company's registered head office is located at 550 Kinh Duong Vuong Street, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr Nguyen Van Le	Chairman
Mr Tran Ngoc Henri	Deputy chairman
Mr Tram Be	Member
Mr Hoang Dinh Thang	Member
Ms Nguyen Thi Kim Thoa	Member
Mr Pham Minh Duc	Member
Mr Nguyen Hoang Thuc	Member

BOARD OF SUPERVISION

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

Mr Tran Ngoc Tien	Head of the Board of Supervision
Ms Tran Nguyen Ngoc Thien Huong	Member
Mr Do Van Cuong	Member

MANAGEMENT

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

Mr Nguyen Thuy Nhan	General Director
Ms Truong My Linh	Deputy General Director
Mr Nguyen Thi Kim Thoa	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Thuy Nhan.

AUDITORS

The auditors of the Company are Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

Management of Binh Chanh Construction Investment Joint Stock Company ("the Company") is pleased to present its report and the separate financial statements of the Company as at and for the year ended 31 December 2011.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate state of affairs of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate 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 separate financial statements; and
- prepare the separate 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 separate 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.

Management confirmed that it has complied with the above requirements in preparing the accompanying separate financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2011 and of the separate results of its operations and its separate cash flows for the year ended in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.

The Company is the parent company of the subsidiaries listed in Note 11.1 of Notes to the separate financial statements and it is in the process of completing the consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") as at 31 December 2011 and for the year ended to meet the prevailing regulatory reporting requirements.

Users of these separate financial statements should read them together with the consolidated financial statements of the Group as at and for the year ended 31 December 2011 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

For and on behalf of Management:

CÔNG TY CỔ PHẦN ĐẦU TƯ XÂY DỰNG BÌNH CHÁNH

Nguyen Thuy Nhan
General Director

15 March 2012

Ernst & Young Vietnam Limited
Saigon Riverside Office Center
8th Floor, 2A-4A Ton Duc Thang Street
District 1, Ho Chi Minh City, S.R. of Vietnam
Tel: +84 8 3824 5252
Fax: +84 8 3824 5250
www.ey.com

Reference: 60933602/15022753

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Binh Chanh Construction Investment Joint Stock Company

We have audited the separate financial statements of Binh Chanh Construction Investment Joint Stock Company ("the Company") as set out on pages 5 to 39 which comprise the separate balance sheet as at 31 December 2011, the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

The preparation and presentation of these separate financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these separate financial statements based on our audit. The Company's separate financial statements as at and for the year ended 31 December 2010 were audited by another auditor whose report dated 31 March 2011, expressed an unqualified opinion on those statements.

Basis of opinion

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the separate 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 separate financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2011, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.

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Opinion (continued)

Without qualifying our opinion, we draw attention to Note 2.1 of the separate financial statements, which states that the Company is a parent company with subsidiaries and it is in the process of completing the consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") as at 31 December 2011 and for the year then ended to meet the prevailing regulatory reporting requirements. Users of these separate financial statements should read them together with the consolidated financial statements of the Group as at 31 December 2011 and for the year then ended in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

Ernst & Young Vietnam

Ernst & Young Vietnam Limited

Nguyen Xuan Dai
Deputy General Director
Certificate No. 0452/KTV

Le Quang Minh
Auditor
Certificate No. 0426/KTV

Ho Chi Minh City, Vietnam

15 March 2012

SEPARATE BALANCE SHEET
as at 31 December 2011

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	**A. CURRENT ASSETS**		**3,018,451,530,240**	**2,646,828,279,566**
110	***I. Cash and cash equivalents***	***4***	***289,054,551,350***	***169,039,104,727***
111	1. Cash		5,499,551,350	31,439,104,727
112	2. Cash equivalents		283,555,000,000	137,600,000,000
120	***II. Short-term investments***		***1,438,433,110***	***1,149,895,300***
121	1. Short-term investments		1,438,433,110	1,149,895,300
130	***III. Current accounts receivable***		***254,639,466,901***	***324,953,127,036***
131	1. Trade receivables		195,882,034,842	252,671,590,195
132	2. Advances to suppliers		12,584,274,032	31,593,785,819
135	3. Other receivables	5	58,346,023,397	52,474,388,150
139	4. Provision for doubtful debts		(12,172,865,370)	(11,786,637,128)
140	***IV. Inventories***		***2,462,032,498,719***	***2,135,686,616,953***
141	1. Inventories	6	2,462,032,498,719	2,135,686,616,953
150	***V. Other current assets***		***11,286,580,160***	***15,999,535,550***
151	1. Short-term prepaid expenses		2,874,000	139,626,000
154	2. Tax and other receivables from the State		63,583,104	-
158	3. Other current assets		11,220,123,056	15,859,909,550
200	**B. NON-CURRENT ASSETS**		**884,291,595,259**	**871,987,724,853**
220	***I. Fixed assets***		***250,434,649,337***	***244,138,913,488***
221	1. Tangible fixed assets	7	29,436,255,525	34,519,673,653
222	Cost		64,493,889,898	63,802,392,553
223	Accumulated depreciation		(35,057,634,373)	(29,282,718,900)
227	2. Intangible fixed assets	8	541,508,758	241,604,797
228	Cost		1,613,378,376	1,109,378,376
229	Accumulated amortisation		(1,071,869,618)	(867,773,579)
230	3. Construction in progress	9	220,456,885,054	209,377,635,038
240	***II. Investment properties***	***10***	***103,000,194,794***	***105,697,269,083***
241	1. Cost		149,571,726,842	149,271,507,549
242	2. Accumulated depreciation		(46,571,532,048)	(43,574,238,466)
250	***III. Long-term investments***		***530,457,812,753***	***521,399,361,111***
251	1. Investments in subsidiaries	11.1	451,000,000,000	451,000,000,000
252	2. Investments in associates	11.2	81,257,440,060	69,118,008,060
258	3. Other long-term investments	11.3	7,054,904,214	7,054,904,214
259	4. Provision for long-term investments		(8,854,531,521)	(5,773,551,163)
260	***IV. Other long-term assets***		***398,938,375***	***752,181,171***
261	1. Long-term prepaid expenses		241,729,592	300,101,171
268	2. Other long-term assets		157,208,783	452,080,000
270	**TOTAL ASSETS**		**3,902,743,125,499**	**3,518,816,004,419**

SEPARATE BALANCE SHEET (continued)
as at 31 December 2011

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	**A. LIABILITIES**		**2,200,393,158,231**	**1,806,117,185,909**
310	***I. Current liabilities***		***1,073,882,638,594***	***743,176,612,643***
311	1. Short-term loans borrowings	13	299,174,675,681	230,386,540,000
312	2. Trade payables		93,302,562,457	62,547,270,793
313	3. Advances from customers		1,400,682,992	53,666,358,436
314	4. Statutory obligations	14	15,772,390,371	61,427,743,642
315	5. Payables to employees		-	730,000,000
316	6. Accrued expenses	15	138,594,801,393	147,321,927,515
319	7. Other payables	16	523,669,299,032	177,499,668,108
323	8. Bonus and welfare fund		1,968,226,668	9,597,104,149
330	***II. Non-current liabilities***		***1,126,510,519,637***	***1,062,940,573,266***
333	1. Other long-term liabilities		7,593,334,922	5,923,547,989
334	2. Long-term loans and debts	17	386,260,823,451	443,823,074,718
336	3. Provision for severance allowance		2,121,731,313	838,582,110
338	4. Unearned revenues	18	730,534,629,951	612,355,368,449
400	**B. OWNERS' EQUITY**		**1,702,349,967,268**	**1,712,698,818,510**
410	***I. Capital***	***19.1***	***1,702,338,510,125***	***1,712,687,361,367***
411	1. Share capital		722,670,000,000	722,670,000,000
412	2. Share premium		610,750,058,000	610,750,058,000
417	3. Investment and development fund		136,210,275,252	79,710,275,252
418	4. Financial reserve fund		73,365,408,572	45,115,408,572
419	5. Other funds belonging to owners' equity		12,332,000,000	6,682,000,000
420	6. Undistributed earnings		147,010,768,301	247,759,619,543
430	***II. Other fund***		***11,457,143***	***11,457,143***
432	1. Subsidised fund		11,457,143	11,457,143
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**3,902,743,125,499**	**3,518,816,004,419**

M.S.D.N: 0301881016 - C.T.C.P. CÔNG TY CỔ PHẦN ĐẦU TƯ XÂY DỰNG BÌNH CHÁNH Q. BÌNH TÂN - TP. HỒ CHÍ MINH

Nguyen Thi Kim Thoa
Accountant in charge

Nguyen Thuy Nhan
General Director

15 March 2012

SEPARATE INCOME STATEMENT
for the year ended 31 December 2011

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. **Revenue from sale of goods and rendering of services**	20.1	216,873,252,396	797,288,630,297
02	2. **Deductions**	20.1	-	-
10	3. **Net revenue from sale of goods and rendering of services**	20.1	216,873,252,396	797,288,630,297
11	4. **Cost of goods sold and services rendered**	21	(98,801,991,331)	(387,397,768,393)
20	5. **Gross profit from sale of goods and rendering of services**		118,071,261,065	409,890,861,904
21	6. **Financial income**	20.2	35,752,397,573	11,091,111,190
22	7. **Financial expenses**	22	(25,119,955,871)	(16,286,446,601)
23	*- In which: Interest expense*		*(7,176,388,885)*	*(7,963,371,635)*
24	8. **Selling expenses**		(3,512,052,531)	(13,246,085,245)
25	9. **General and administrative expenses**		(40,300,804,553)	(42,595,203,951)
30	10. **Operating profit**		84,890,845,683	348,854,237,297
31	11. **Other income**	23	2,522,965,282	8,729,908,970
32	12. **Other expenses**	23	(3,653,486,843)	(14,064,957,214)
40	13. **Other loss**		(1,130,521,561)	(5,335,048,244)
50	14. **Profit before tax**		83,760,324,122	343,519,189,053
51	15. **Current corporate income tax expense**	24.1	(18,112,175,364)	(87,306,762,583)
60	16. **Net profit after tax**		65,648,148,758	256,212,426,470

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BÌNH CHÁNH
Q.BÌNH TÂN - TP.HỒ CHÍ MINH

Nguyen Thi Kim Thoa
Accountant in charge

Nguyen Thuy Nhan
General Director

15 March 2012

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2011

VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**83,760,324,122**	**343,519,189,053**
	Adjustments for:			
02	Depreciation and amortisation	7, 8, 10	9,320,923,678	13,169,828,400
03	Provisions		3,467,208,600	7,030,528,813
04	Unrealised foreign exchange losses	22	7,851,306,628	4,058,145,000
05	Gains from investing activities		(35,264,173,401)	(11,138,723,190)
06	Interest expense	22	7,176,388,885	7,963,371,635
08	**Operating profit before changes in working capital**		**76,311,978,512**	**364,602,339,711**
09	Decrease (increase) in receivables		76,757,390,069	(136,631,451,529)
10	Increase in inventories		(215,936,916,494)	(515,197,266,150)
11	Increase (decrease) in payables		78,262,301,700	(88,574,195,791)
12	Decrease in prepaid expenses		195,123,579	639,898,829
13	Interest paid		(116,621,116,139)	(52,460,012,875)
14	Corporate income tax paid	24.2	(59,385,827,956)	(87,003,824,581)
15	Other cash inflows from operating activities		-	554,985,013
16	Other cash outflows from operating activities		(11,358,877,481)	(6,460,497,194)
20	**Net cash flows used in operating activities**		**(171,775,944,210)**	**(520,530,024,567)**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(13,027,358,523)	(18,538,606,171)
22	Proceeds from disposals of fixed assets		115,454,546	-
25	Payments for investments in other entities		-	(45,600,000,000)
26	Proceeds from sale of investments in other entities		400,000,000,000	123,000,000
27	Interest and dividends received		23,201,959,196	11,138,723,190
30	**Net cash flows from (used in) investing activities**		**410,290,055,219**	**(52,876,882,981)**
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares		-	361,420,058,000
33	Drawdown of borrowings		176,306,961,630	465,486,669,110
34	Repayment of borrowings		(172,845,197,216)	(212,865,761,129)
36	Dividends paid	19.2	(121,960,428,800)	(43,254,219,611)
40	**Net cash flows (used in) from financing activities**		**(118,498,664,386)**	**570,786,746,370**

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2011

VND

Code	*ITEMS*	*Notes*	*Current year*	*Previous year*
50	**Net increase (decrease) in cash and cash equivalents**		**120,015,446,623**	**(2,620,161,178)**
60	**Cash and cash equivalents at beginning of year**	**4**	**169,039,104,727**	**171,659,265,905**
70	**Cash and cash equivalents at end of year**	**4**	**289,054,551,350**	**169,039,104,727**

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Nguyen Thi Kim Thoa
Accountant in charge

Nguyen Thuy Nhan
General Director

15 March 2012

1. CORPORATE INFORMATION

Binh Chanh Construction Investment Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 056668 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 24 December 1999, as amended.

The Company's principal activities are to develop and trade real estate properties including house, land use rights and infrastructure, to provide construction consulting, site clearance and brokerage on land properties.

The Company's registered head office is located at 550 Kinh Duong Vuong Street, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 31 December 2011 was 203 (31 December 2010: 210).

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The separate financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying separate balance sheet, separate income statement, separate 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 furthermore are not intended to present the separate financial position and separate results of operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

The Company is the parent company of the subsidiaries listed in Note 11.1 (collectively referred to as "the Group") and it is in the process of completing the consolidated financial statements of the Group as at 31 December 2011 and for the year then ended to meet the prevailing regulatory reporting requirements.

Users of these separate financial statements should read them together with the consolidated financial statements of the Group as at and for the year ended 31 December 2011 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

2.2 Applied accounting documentation system

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

2. BASIS OF PREPARATION (continued)

2.3 Fiscal year

The Company's fiscal year applicable for the preparation of its separate financial statements starts on 1 January and ends on 31 December.

2.4 Accounting currency

The Company maintains its accounting records in VND.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in accounting policies and disclosures

The accounting policies adopted by the Company in preparation of the separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended 31 December 2010 except for the change in the accounting policy in relation to the following:

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 1 January 2011.

The adoption of Circular 210 results in new disclosures being added to the separate financial statements as shown in Notes 27 and 28.

Circular 210 also requires the Company to evaluate the terms of non-derivative financial instruments issued by the Company to determine whether it contains both a liability and an equity component. Such components are classified separately as financial liabilities, financial assets or equity instruments in the separate balance sheet. This requirement has no impact on the separate financial position or separate result of operation of the Company as the Company has not yet issued such non-derivative financial instrument.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks 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.

3.3 Inventories

Inventory properties, comprising mainly real estate properties, acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes:

- Land use rights;
- Construction and development cost; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes and other related costs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Inventories* (continued)

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the balance sheet date and discounted for the time value of money (if material), less costs to completion and the estimated costs of sale.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

3.4 *Receivables*

Receivables are presented in the separate financial statements at the carrying amounts due from customers and other debtors, after the 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 separate income statement.

3.5 *Fixed assets*

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and amortisation.

The cost of fixed asset comprises its purchase price and any directly attributable costs of bringing the 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 separate income statement as incurred. When fixed assets are sold or retired, their costs and accumulated depreciation or amortisation are removed from the separate balance sheet and any gain or loss resulting from their disposal is included in the separate income statement.

3.6 *Depreciation and amortisation*

Depreciation of tangible fixed assets and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	10 – 20 years
Machinery and equipment	3 – 10 years
Motor vehicles	6 – 10 years
Office equipment	3 – 7 years
ISO certificate and computer software	3 – 10 years

The useful life of the fixed assets and depreciation rates are reviewed periodically to ensure that the method and the period of the depreciation and amortisation are consistent with the expected pattern of economic benefits that will be derived from the use of fixed assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.

Depreciation of investment properties is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Factories	25 – 46 years
Infrastructure	25 – 46 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the separate income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.8 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

3.9 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate 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.

3.10 Investments in subsidiaries

Investments in subsidiaries over which the Company has control are carried at cost. Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investments in associates

Investments in associates over which the Company has significant influence are accounted for under the cost method of accounting.

Distributions from the accumulated net profits of the associates arising subsequent to the date of acquisition by the Company are recognized as income in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

3.12 Investments in securities and other investments

Investments in securities and other investments are stated at their acquisition costs. Provision is made for any diminution in value of the marketable investments at the balance sheet date representing the excess of the acquisition cost over the market value at that date in accordance with the guidance under Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. Increases and decreases to the provision balance are recorded as finance expense in the separate income statement.

3.13 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.

3.14 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 year following the average monthly salary of the 6-month period up to the balance sheet date. Any changes to the accrued amount will be taken to the separate income statement.

3.15 Appropriation of net profit

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- Financial reserve fund

  This fund is set aside to protect the Company's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

- Investment and development fund

  This fund is set aside for use in the Company's expansion of its operation or in-depth investments.

- Bonus and welfare fund

  This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' material and spiritual benefits and it is recognised as a liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Foreign currency transactions

The Company follows the guidance under Vietnamese Accounting Standard No. 10 "The Effects of Changes in Exchange Rates" (the "VAS 10") in relation to foreign currency transactions as applied consistently in prior years.

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 re-valued at exchange rates ruling at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the separate income statement.

The above guidance related to unrealized foreign exchange differences provided by VAS 10 is different from those stipulated in the Circular No. 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:

Transaction	*Accounting treatment under*	
	VAS 10	*Circular 201*
Translation of short-term monetary assets and liabilities denominated in foreign currencies at year end.	All unrealised foreign exchange differences are taken to the separate income statement.	All unrealised foreign exchange differences are taken to the "Foreign exchange differences reserve" account in the equity section of the separate 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 separate income statement.	All unrealised foreign exchange gains are taken to the separate income statement. All foreign exchange losses will be charged to the separate 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 separate income statement within the subsequent five years. In any case, the total foreign exchange loss to be charged to current period's separate income statement 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 separate balance sheet and allocated to the separate income statement within the subsequent five years.

However, the impact to the separate financial statements had the Company adopted the Circular 201 for the year ended 31 December 2011 was not material as a whole.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 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 recognition criteria must also be met before revenue is recognised:

Sale of completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied.

Rendering of services

Revenue from rendering of services is recognised as and when the services are rendered to the customers and are stated net of discounts, value-added tax and allowances.

Rental income

Rental income arising from operating leases is accounted for in the separate income statement on a straight-line basis over the term of the lease.

Interest

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

Dividend

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

3.18 Taxation

Current income tax

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

Current income tax is charged or credited to the separate income statement, except when it relates to items recognised directly to equity, in which case the deferred 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 purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Deferred tax (continued)

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 profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed 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.

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 separate 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 for the Company to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

3.19 *Financial instruments*

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of Circular 210 are classified, for disclosures in the notes to the separate financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan receivables, quoted and unquoted financial instruments.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the separate financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at cost plus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Financial instruments – subsequent measurement

No subsequent re-measurement of financial instruments is currently required.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the separate balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. CASH AND CASH EQUIVALENTS

VND

	Ending balance	*Beginning balance*
Cash on hand	120,608,880	60,942,278
Cash in banks	5,378,942,470	31,378,162,449
Cash equivalents (*)	283,555,000,000	137,600,000,000
TOTAL	**289,054,551,350**	**169,039,104,727**

Cash equivalents mainly represent short-term bank deposits with maturity of less than three months which are readily convertible into known amount of cash without any significant risk of changes in value, and earn interest at the average interest rate of 14% per annum.

(*) Parts of short-term bank deposits amounting to VND 86,000,000,000 were pledged to obtain loans from banks *(Notes 13 and 17)*.

5. OTHER RECEIVABLES

VND

	Ending balance	*Beginning balance*
Advances for development of project	14,709,675,766	14,884,813,505
Receivable from related parties *(Note 25)*	32,135,952,779	27,553,174,999
Provisional corporate income tax (*)	10,004,500,776	7,584,993,713
Interest income	1,250,017,336	1,623,454,202
Others	245,876,740	827,951,731
TOTAL	**58,346,023,397**	**52,474,388,150**

(*) In accordance with Circular No. 130/2009/TT-BTC issued by the Ministry of Finance on 26 December 2008 which provides guidelines for implementation of the Law on Corporate Income Tax, the Company is entitled to provisionally pay tax at the rate of 2% on cash collections from its customers pending the appropriate recognition of sales and cost of sales from those transactions.

6. INVENTORIES

VND

	Ending balance	*Beginning balance*
Inventory properties in progress (*)	2,454,960,378,106	2,127,122,856,247
Merchandise goods	7,072,120,613	8,563,760,706
TOTAL	**2,462,032,498,719**	**2,135,686,616,953**

(*) This represents development and construction costs of the on-going residential area projects. Parts of these projects were pledged to obtain loans from banks *(Notes 13 and 17)*.

7. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	*Machinery and equipment*	*Motor vehicles*	*Office equipment*	*Total*
Cost:					
Beginning balance	19,572,680,181	29,179,818,950	11,192,572,683	3,857,320,739	63,802,392,553
Newly purchased	-	599,163,724	-	544,725,490	1,143,889,214
Sold, disposed	-	(175,690,000)	(276,701,869)	-	(452,391,869)
Ending balance	19,572,680,181	29,603,292,674	10,915,870,814	4,402,046,229	64,493,889,898
In which:					
Fully depreciated	*835,671,554*	*858,260,395*	*706,006,749*	*2,774,695,583*	*5,174,634,281*
Accumulated depreciation:					
Beginning balance	(4,183,125,447)	(17,930,794,560)	(4,192,719,712)	(2,976,079,181)	(29,282,718,900)
Depreciation for the year	(1,053,147,108)	(3,030,250,810)	(1,470,534,572)	(565,601,567)	(6,119,534,057)
Sold, disposed	-	175,690,000	168,928,584	-	344,618,584
Ending balance	(5,236,272,555)	(20,785,355,370)	(5,494,325,700)	(3,541,680,748)	(35,057,634,373)
Net carrying amount:					
Beginning balance	15,389,554,734	11,249,024,390	6,999,852,971	881,241,558	34,519,673,653
Ending balance	14,336,407,626	8,817,937,304	5,421,545,114	860,365,481	29,436,255,525

8. INTANGIBLE FIXED ASSETS

VND

	ISO certificate	*Computer software*	*Total*
Cost:			
Beginning balance	331,744,151	777,634,225	1,109,378,376
Newly purchased	-	504,000,000	504,000,000
Ending balance	331,744,151	1,281,634,225	1,613,378,376
In which:			
Fully amortised	*331,744,151*	*448,645,225*	*780,389,376*
Accumulated amortisation:			
Beginning balance	(331,654,429)	(536,119,150)	(867,773,579)
Amortisation for the year	(89,722)	(204,006,317)	(204,096,039)
Ending balance	(331,744,151)	(740,125,467)	(1,071,869,618)
Net carrying amount:			
Beginning balance	89,722	241,515,075	241,604,797
Ending balance	-	541,508,758	541,508,758

9. CONSTRUCTION IN PROGRESS

VND

	Ending balance	*Beginning balance*
Le Minh Xuan Industrial Park	219,967,687,577	209,120,442,312
Others	489,197,477	257,192,726
TOTAL	**220,456,885,054**	**209,377,635,038**

10. INVESTMENT PROPERTIES

	Factories	*Infrastructure*	*VND* *Total*
Cost:			
Beginning balance	7,146,210,413	142,125,297,136	149,271,507,549
Additions	-	300,219,293	300,219,293
Ending balance	7,146,210,413	142,425,516,429	149,571,726,842
Accumulated depreciation:			
Beginning balance	(5,253,416,405)	(38,320,822,061)	(43,574,238,466)
Depreciation for the year	(126,186,267)	(2,871,107,315)	(2,997,293,582)
Ending balance	(5,379,602,672)	(41,191,929,376)	(46,571,532,048)
Net carrying amount:			
Beginning balance	1,892,794,008	103,804,475,075	105,697,269,083
Ending balance	1,766,607,741	101,233,587,053	103,000,194,794

The fair values of the investment property as at 31 December 2011 had not yet been formally assessed and determined, but the management believed that it was much higher than the property's carrying values.

11. LONG-TERM INVESTMENTS

11.1 Investments in subsidiaries

	Ending balance		*Beginning balance*	
	VND	*% of interest*	*VND*	*% of interest*
Phong Phu Industrial Park Joint Stock Company (*)	245,000,000,000	70	245,000,000,000	70
BCI Corporation	206,000,000,000	69	206,000,000,000	69
TOTAL	**451,000,000,000**		**451,000,000,000**	
Provision for long-term investments	(6,280,557,307)		(3,553,006,949)	
NET AMOUNT	**444,719,442,693**		**447,446,993,051**	

Phong Phu Industrial Park Joint Stock Company ("Phong Phu") a joint stock company was established in accordance with Business Registration Certificate No. 4103000445 issued by the DPI of Ho Chi Minh City on 4 June 2001, as amended. Phong Phu's registered office is located at Phong Phu Industrial Zone, Phong Phu Commune, Binh Chanh District, Ho Chi Minh City, Vietnam. Phong Phu's principal activities are to invest and sell land use rights in industrial zone.

The Company is in process to dispose its entire investment of 2,450,000 shares in Phong Phu to Saigon Newtown Investment Corporation ("Saigon NIC") in accordance with the Ownership Interest Transfer Contract dated 29 August 2011. As at the date of these reports, the Company is filing documents to authorities to get approval for transferring its ownership to Saigon NIC and also received an advance of VND 400,000,000,000 from Saigon NIC *(Note 16)*.

11. LONG-TERM INVESTMENTS (continued)

11.1 Investment in subsidiaries (continued)

(*) 650,000 shares of Phong Phu were pledged to obtain loan from Ho Chi Minh Finance and Investment State *(Notes 17)*.

BCI Corporation (formerly known as Bach Binh Real Estate Corporation) ("BCI"), a joint stock company was established in accordance with Business Registration Certificate No. 4103009299 issued by the DPI of Ho Chi Minh City on 31 January 2008, as amended. BCI's registered office is located at 510 Kinh Duong Vuong Street, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam. BCI's principal activities are to invest and trade real estates.

11.2 Investments in associates

	Ending balance		*Beginning balance*	
	VND	*% of interest*	*VND*	*% of interest*
Saigon Asia Investment and Reality Corporation	4,000,000,000	50	4,000,000,000	50
Espace Big C An Lac	57,197,127,688	20	65,118,008,060	20
Green Buildings Company Limited	20,060,312,372	20	-	-
TOTAL	**81,257,440,060**		**69,118,008,060**	

Saigon Asia Investment and Reality Corporation ("Saigon Asia Real Estate") is a joint stock company established in accordance with Business Registration Certificate No. 4103007346 issued by the DPI of Ho Chi Minh City on 19 July 2007, as amended. Saigon Asia Real Estate's registered office is located at 115 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam. Saigon Asia Real Estate's principal activities are to invest and trade real estates.

Escape Big C An Lac ("Big C") is a limited liability company with two or more members established in accordance with Investment Licence No. 2013/GP issued by the Ministry of Planning and Investment on 16 December 1997, as amended. Big C's registered office is located at 1231 National Road 1A, Quarter 5, Binh Tri Dong Ward, Binh Tan District, Ho Chi Minh City, Vietnam. Big C's principal activity is to develop and operate supermarket chains with retail and wholesale shops, warehouses and processing workshops.

Green Buildings Company Limited ("GB") is a limited liability company with two or more members established in accordance with Investment Certificate No. 411022000448 dated 14 August 2010 issued by the Ho Chi Minh City People's Committee. GB's registered office is located at 1231 National Road 1A, Quarter 5, Binh Tri Dong Ward, Binh Tan District, Ho Chi Minh City, Vietnam. GB's principal activity is to develop an apartment project named Green Building in Ho Chi Minh City for sale.

11. LONG-TERM INVESTMENTS (continued)

11.3 Other long-term investments

VND

	Ending balance		*Beginning balance*	
	Quantity	*Value*	*Quantity*	*Value*
Investment in securities				
- Thu Duc Housing Development Corporation ("TDH")	15,300	1,312,145,455	15,300	1,312,145,455
- Ho Chi Minh City Housing Development Joint Stock Bank ("HDB")	12,331	123,310,000	12,331	123,310,000
Other long-term investments		5,619,448,759		5,619,448,759
TOTAL		**7,054,904,214**		**7,054,904,214**
Provision for long-term investments		(2,573,974,214)		(2,220,544,214)
NET AMOUNT		**4,480,930,000**		**4,834,360,000**

12. CAPITALISED BORROWING COST

During the year, the Company capitalized interest expenses of VND 110,408,965,272 (for the year ended 31 December 2010: VND 65,760,015,053). These costs were relating to borrowings to finance for construction and development of Phong Phu 4 Residential project, Hamlet 1 Tan Tao Residential project, Nhat Lan 2 Apartment project, An Lạc Plaza Complex project, Hamlet 2 Tan Tao Residential project and Binh Hung 11A Residential.

13. SHORT-TERM LOANS AND BORROWINGS

VND

	Ending balance	*Beginning balance*
Loans from bank	99,500,000,000	100,000,000,000
Current portion of long-term loans and debts (*Note 17*)	199,674,675,681	130,386,540,000
TOTAL	**299,174,675,681**	**230,386,540,000**

13. SHORT-TERM LOANS AND BORROWINGS (continued)

Details of the short-term loans from banks are as follows:

Banks	*Ending balance*	*Principal repayment term*	*Purpose*	*Interest rate*	*Description of collateral*
	VND				
Vietnam International Bank – District 1 Branch					
Loan Agreement No. 0451/HĐTD2-VIB608/11	29,500,000,000	12 months from the first drawdown date	Binh Hung 11A and Phong Phu 4 residential projects	21.25% per annum	Land use right of 7,954.8 m^2 and associated infrastructure at Phong Phu Commune, Binh Chanh District, Ho Chi Minh City
Lao Viet Joint Venture Bank - Ho Chi Minh Branch					
Loan Agreement No.01/2011/HD	20,000,000,000	7-Jan-12	Phong Phu 4 residential project	17.5% per annum	Short-term bank deposits
Military Commercial Joint Stock Bank - Cho Lon Branch					
Loan Agreement No. 839.11.701.479633.TDNH	50,000,000,000	3 months from the first drawdown date	Phong Phu 4 residential project	17.5% per annum	Short-term bank deposits
TOTAL	**99,500,000,000**				

14. STATUTORY OBLIGATIONS

	Ending balance	*Beginning balance*
		VND
Corporate income tax *(Note 24.2)*	7,934,438,355	46,788,583,884
Value-added tax	7,797,326,454	13,903,531,992
Personal income tax	-	701,942,882
Natural resource tax	40,625,562	33,684,884
TOTAL	**15,772,390,371**	**61,427,743,642**

15. ACCRUED EXPENSES

	Ending balance	Beginning balance
		VND
Project costs	115,731,858,513	125,687,776,260
Loan interest	22,227,611,831	21,263,373,813
Others	635,331,049	370,777,442
TOTAL	**138,594,801,393**	**147,321,927,515**

16. OTHER PAYABLES

	Ending balance	Beginning balance
		VND
Land compensation payables	89,747,339,499	98,058,892,227
Dividend payables	1,963,220,200	51,656,649,000
Advance received for transferring ownership interest in Phong Phu *(Note 11.1)*	400,000,000,000	-
Deposits received	7,663,970,827	7,307,333,371
Repair and maintenance fee	8,513,396,069	5,375,458,537
Others	15,781,372,437	15,101,334,973
TOTAL	**523,669,299,032**	**177,499,668,108**

17. LONG-TERM LOANS AND DEBTS

	Ending balance	Beginning balance
		VND
Loans from banks (i)	175,321,910,967	166,711,530,578
Loans from other entities (ii)	25,322,928,165	29,971,544,140
Debt from Department of Finance Ho Chi Minh City (iii)	85,290,660,000	77,526,540,000
Bonds issued (iv)	300,000,000,000	300,000,000,000
TOTAL	**585,935,499,132**	**574,209,614,718**
In which		
Current portion (Note 13)	*199,674,675,681*	*130,386,540,000*
Non-current portion	*386,260,823,451*	*443,823,074,718*

17. LONG-TERM LOANS AND DEBTS (continued)

(i) Details of the long-term loans from banks are as follows:

Banks	*Ending balance*	*Principal repayment term*	*Purpose*	*Interest rate*	*Description of collateral*
	VND				
Military Commercial Joint Stock Bank – Cho Lon Branch					
Loan agreement No. 300.09.701.479633.TDTH	29,664,015,681	19 September 2012	Nhat Lan 2 Apartment project	Savings deposit interest for 12 months plus 5.5% per annum	Land use rights of 3,394.2 m^2 and associated infrastructure at Tan Tao Ward, Binh Tan District, Ho Chi Minh City
In which:					
Current portion	*29,664,015,681*				
Loan agreement No. 331.09.701.479633.TDTH	93,459,100,576	21 December 2014	Hamlet 1 Tan Tao Residential project	Savings deposit interest for 12 months plus 5.5% per annum	Land use rights of 6,127.9 m^2 and associated infrastructure at Tan Tao Ward, Binh Tan District, Ho Chi Minh City
In which:					
Current portion	*58,000,000,000*				
Vietnam Joint Stock Commercial Bank for Industry and Trade – Tay Sai Gon Branch					
Loan agreement No. 100200117/HDTD.TDH	52,198,794,710	1 November 2015	Phong Phu 4 Residential project	Savings deposit interest plus 3.5% per annum	Land use rights of 14,850 m^2 No. AC 241246, BD 747602, BD 747607 and BD 747654 of Phong Phu 4 project
In which:					
Current portion	*13,000,000,000*				
TOTAL	**175,321,910,967**				
In which:					
Current portion	*100,664,015,681*				
Non-current portion	*74,657,895,286*				

17. LONG-TERM LOANS AND DEBTS (continued)

(ii) Details of the long-term loans from other entities are as follows:

Name of entities	*Ending balance* *VND*	*Principal repayment term*	*Purpose*	*Interest*	*Description of collateral*
Ho Chi Minh City Finance and Investment State					
Loan agreement No. 210/2008/HDTD-QDT-TD	15,831,013,165	5 December 2013	Nhat Lan 2 Apartment	16% per annum	500,000 shares in Phong Phu Industrial Park Joint Stock Company *(Note 11.1)*
In which:					
Current portion	*12,000,000,000*				
Loan agreement No. 17/2010/ HDTD-QDT-TD	9,491,915,000	30 June 2017	Wastewater treatment project in Le Minh Xuan Industrial Park	16% per annum	150,000 shares in Phong Phu Industrial Park Joint Stock Company *(Note 11.1)*
In which:					
Current portion	*1,720,000,000*				
TOTAL	**25,322,928,165**				
In which:					
Current portion	*13,720,000,000*				
Non-current portion	*11,602,928,165*				

(iii) This is a debt from Department of Finance Ho Chi Minh City relating to land rental amounting to US$ 4,095,000 for capital contribution in establishment of Escape Big C in accordance with the Land Lease Contract No. 6063/HD-GTD dated 30 October 1998 with Department of Land and Housing Ho Chi Minh City. This is non-interest bear debt and was matured on 16 December 2010 but not yet paid at the balance sheet date.

17. LONG-TERM LOANS AND DEBTS (continued)

(iv) On 22 December 2009, the Company issued VND 150,000,000,000 straight bonds at par value of VND 1 billion per unit which are redeemable at par value by 22 December 2014. The bonds bear interest rate of 12.50% p.a. for the first interest payment period which will be paid on 22 December 2010 and the average 12 month savings deposit interest rates announced by Vietnam Bank for Agriculture and Rural Development, Joint Stock Commercial Bank For Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, and Bank for Investment and Development of Vietnam plus a margin of 4% p.a. in the following periods. Interest will be paid on 22 December annually.

On 1 April 2010, the Company issued VND 150,000,000,000 straight bonds at par value of VND 1 billion per unit which are redeemable at par value by 1 April 2015. The bonds bear interest rate of 12.50% p.a. for the first interest payment period which will be paid on 1 April 2011 and the average 12 month savings deposit interest rates announced by Vietnam Bank for Agriculture and Rural Development, Joint Stock Commercial Bank For Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, and Bank for Investment and Development of Vietnam plus a margin of 4% p.a. in the following periods. Interest will be paid on 1 April annually.

The Company used the land use rights at 158 An Duong Vuong, An Lac Ward, Binh Tan District, Ho Chi Minh City and land use right of the An Lac Plaza Complex project as a mortgage for these bonds. The proceeds were used to finance the An Lac Plaza Complex project, Hamlet 2 Tan Tao Residential project and Binh Hung 11A Residential project of the Company.

18. UNEARNED REVENUES

VND

	Ending balance	*Beginning balance*
Unearned revenue from transfer of land lots, houses	500,225,038,828	379,249,685,661
Unearned revenue from land leases of Le Minh Xuan Industrial Park	230,309,591,123	233,105,682,788
TOTAL	**730,534,629,951**	**612,355,368,449**

19. OWNERS' EQUITY

19.1 *Movements in owners' equity*

VND

	Share capital	*Share premium*	*Investment and development fund*	*Financial reserve fund*	*Other funds belonging to Owners' Equity*	*Undistributed earnings*	*Total*
Previous year							
Beginning balance	542,000,000,000	430,000,000,000	38,240,275,252	24,380,408,572	2,535,000,000	161,286,806,684	1,198,442,490,508
Increase in capital	180,670,000,000	180,750,058,000	-	-	-	-	361,420,058,000
Net profit for the year	-	-	-	-	-	256,212,426,470	256,212,426,470
Appropriation of profit	-	-	41,470,000,000	20,735,000,000	4,147,000,000	(66,352,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(14,082,000,000)	(14,082,000,000)
Dividends declared	-	-	-	-	-	(88,526,900,000)	(88,526,900,000)
Others	-	-	-	-	-	(778,713,611)	(778,713,611)
Ending balance	722,670,000,000	610,750,058,000	79,710,275,252	45,115,408,572	6,682,000,000	247,759,619,543	1,712,687,361,367
Current year							
Beginning balance	722,670,000,000	610,750,058,000	79,710,275,252	45,115,408,572	6,682,000,000	247,759,619,543	1,712,687,361,367
Net profit for the year	-	-	-	-	-	65,648,148,758	65,648,148,758
Appropriation of profit	-	-	56,500,000,000	28,250,000,000	5,650,000,000	(90,400,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(3,730,000,000)	(3,730,000,000)
Dividends declared						(72,267,000,000)	(72,267,000,000)
Ending balance	722,670,000,000	610,750,058,000	136,210,275,252	73,365,408,572	12,332,000,000	147,010,768,301	1,702,338,510,125

19. OWNERS' EQUITY (continued)

19.2 Capital transactions with owners and distribution of dividends

VND

	Current year	Previous year
Contributed share capital		
Beginning balance	722,670,000,000	542,000,000,000
Increase	-	180,670,000,000
Ending balance	722,670,000,000	722,670,000,000
Dividend declared	***(72,267,000,000)***	***(88,526,900,000)***
Dividends paid	***(121,960,428,800)***	***(43,254,219,611)***

19.3 Shares - ordinary shares

	Ending balance	*Beginning balance*
	Number of shares	*Number of shares*
Shares authorised to be issued	72,267,000	72,267,000
Shares issued and fully paid		
Ordinary shares	*72,267,000*	*72,267,000*
Shares in circulation		
Ordinary shares	*72,267,000*	*72,267,000*

20. REVENUES

20.1 Revenue from sale of goods and rendering of services

VND

	Current year	Previous year
Gross revenue	**216,873,252,396**	**797,288,630,297**
Of which:		
Sale of residential land properties	*168,154,044,899*	*757,142,827,990*
Rendering of services	*48,719,207,497*	*40,145,802,307*
Less		
Sales returns	-	-
NET REVENUE	**216,873,252,396**	**797,288,630,297**
Of which:		
Sale of residential land properties	*168,154,044,899*	*757,142,827,990*
Rendering of services	*48,719,207,497*	*40,145,802,307*

20. REVENUE (continued)

20.2 Financial income

		VND
	Current year	*Previous year*
Interest income	23,117,060,140	10,688,177,760
Dividends earned	12,181,129,900	47,612,000
Others	454,207,533	355,321,430
TOTAL	**35,752,397,573**	**11,091,111,190**

21. COSTS OF GOODS SOLD AND SERVICE RENDERED

		VND
	Current year	*Previous year*
Cost of residential land properties sold	72,002,615,930	361,508,034,644
Cost of service rendered	26,799,375,401	25,889,733,749
TOTAL	**98,801,991,331**	**387,397,768,393**

22. FINANCIAL EXPENSES

		VND
	Current year	*Previous year*
Interest expense	7,176,388,885	7,963,371,635
Unrealised foreign exchange losses	7,851,306,628	4,058,145,000
Provision for diminution in value of investment	3,080,980,358	4,126,738,685
Commission fee	7,000,000,000	-
Others	11,280,000	138,191,281
TOTAL	**25,119,955,871**	**16,286,446,601**

23. OTHER INCOME AND EXPENSES

		VND
	Current year	*Previous year*
Other income	**2,522,965,282**	**8,729,908,970**
Proceeds from disposal of fixed assets	115,454,546	390,909,091
Penalty for cancelation of contracts	1,997,734,179	4,229,069,740
Others	409,776,557	4,109,930,139
Other expenses	**(3,653,486,843)**	**(14,064,957,214)**
Others	(3,653,486,843)	(14,064,957,214)
NET	**(1,130,521,561)**	**(5,335,048,244)**

24. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 25% of taxable profits.

The Company's tax returns are subject to examination by the tax authorities. As the application of tax laws and regulations are susceptible to varying interpretations, amounts reported in the separate financial statements could change at a later date upon final determination by the tax authorities.

24.1 CIT expense

VND

	Current year	*Previous year*
Current CIT expense	18,112,175,364	85,719,397,689
Under accrual of CIT from prior years	-	1,587,364,894
TOTAL	**18,112,175,364**	**87,306,762,583**

24.2 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 the profit as reported in the separate 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 not 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 profit before tax in the separate income statement and estimated taxable profit is presented below:

VND

	Current year	*Previous year*
Profit before tax	**83,760,324,122**	**343,519,189,053**
Adjustments to increase (decrease) accounting profit:		
Non-deductible expenses	869,507,233	2,232,408,062
Accrued project costs which was not deductible in prior years	-	(2,826,394,359)
Dividends earned	(12,181,129,900)	(47,612,000)
Estimated taxable profit	**72,448,701,455**	**342,877,590,756**
Estimated current CIT	**18,112,175,364**	**85,719,397,689**
CIT payable at beginning of year	46,788,583,884	48,318,969,298
Provisional CIT on cash collection	2,419,507,063	(1,833,323,416)
CIT paid during the year	(59,385,827,956)	(87,003,824,581)
Adjustment for under accrual of tax from prior year	-	1,587,364,894
CIT payable at end of year	**7,934,438,355**	**46,788,583,884**

25. TRANSACTIONS WITH RELATED PARTIES

Significant transaction with related party during the year was as follows:

			VND
Related party	*Relationship*	*Nature of transaction*	*Amount*
Phong Phu Industrial Park Joint Stock Company	Subsidiary	Loan interest	3,051,000,001

Amount due to and due from a related party at the balance sheet date were:

			VND
Related party	*Relationship*	*Nature of transactions*	*Receivable (Payable)*
Other receivable			
Phong Phu Industrial Park Joint Stock Company	Subsidiary	Loan (*)	22,600,000,000
		Loan interest	8,004,175,000
		Collect on behalf of Saigon Newtown Investment Corporation ("Saigon NIC")	1,531,777,779
TOTAL			**32,135,952,779**
Other payable			
Phong Phu Industrial Park Joint Stock Company	Subsidiary	Advance	(53,948,000)

(*) This represents a loan to Phong Phu Industrial Park Joint Stock Company which bears interest at the rate of 20% per annum.

26. COMMITMENTS AND CONTINGENCIES

Operating lease commitment

The Company leases office premises under operating lease arrangements. Future minimum lease payables as at 31 December 2011 were as follows:

		VND
	31 December 2011	*31 December 2010*
Less than 1 year	499,872,000	454,429,091
From 1-5 years	624,840,000	-
TOTAL	**1,124,712,000**	**454,429,091**

Capital commitments

As at 31 December 2011, the Company has a commitment of VND 2,748,125,952 (31 December 2010: nil) principally related to the development of infrastructure of Le Minh Xuan Industrial Zone.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and development of the Company's property portfolio. The Company has loan and other receivables, trade and other receivables, cash and short-term deposits that arise directly from its operations. The Company does not hold or issue any derivative financial instruments.

The Company is exposed to market risk, real estate risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Management reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analyses in the following sections relate to the position as at 31 December 2011 and 31 December 2010.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currency are all constant.

In calculating the sensitivity analyses, management assumed that:

- the sensitivity of the balance sheet relates to available-for-sale debt instrument;
- the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2011 and 31 December 2010.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favorable for its purposes within its risk management limits.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings.

With all other variables held constant, the cost for development of property projects of the Company is mainly affected through the impact on floating rate borrowings because the Company obtained these loans to finance for the development of projects. The impact is disclosed as follows:

	Increase/decrease in basis points	*VND* *Effect on inventory properties on progress on the separate balance sheet*
For the year ended 31 December 2011		
VND	+300	15,019,345,174
VND	-300	(15,019,345,174)
For the year ended 31 December 2010		
VND	+300	14,900,492,242
VND	-300	(14,900,492,242)

Real estate risk

The Company has identified the following risks associated with the real estate portfolio: (i) the cost of the development schemes may increase if there are delays in the planning process. The Company uses advisers who are experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process; (ii) the exposure of the fair values of the portfolio to market and occupier fundamentals.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (primarily for deposit with banks).

Credit risks related to receivables resulting from the sale of real estate properties

Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's management in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Company evaluates the concentration of credit risk in respect to bank deposit is as low.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintaining a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

VND

	Less than 1 year	*From 1 to 5 years*	*Total*
31 December 2011			
Loans and borrowings	299,174,675,681	386,260,823,451	685,435,499,132
Trade payables	93,302,562,457	-	93,302,562,457
Other payables and accrued expenses	662,264,100,425	-	662,264,100,425
	1,054,741,338,563	**386,260,823,451**	**1,441,002,162,014**
31 December 2010			
Loans and borrowings	230,386,540,000	443,823,074,718	674,209,614,718
Trade payables	62,547,270,793	-	62,547,270,793
Other payables and accrued expenses	324,821,595,623	-	324,821,595,623
	617,755,406,416	**443,823,074,718**	**1,061,578,481,134**

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Collateral

The Company has pledged its land use right of projects and investments in shares of Phong Phu in order to fulfil the collateral requirements for the short-term and long-term loans obtained from banks (Notes 13 and 17). At 31 December 2011 and 31 December 2010, the carrying values of the shares pledged were VND 64,659,148,095. The banks have an obligation to return the land use rights and the shares to the Company. There are no other significant terms and conditions associated with the use of collateral.

The Company did not hold collateral at 31 December 2011 and 31 December 2010.

28. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the separate financial statements.

VND

	Carrying amount				*Fair value*	
	Ending balance		*Beginning balance*		*Ending balance*	*Beginning balance*
	Cost	*Provision*	*Cost*	*Provision*		
Financial assets						
Investment designated as financial assets through profit and loss						
- Listed shares	1,435,455,455	(1,137,725,455)	1,435,455,455	(784,295,455)	297,730,000	651,160,000
Short term deposit	1,438,433,110	-	1,149,895,300	-	1,438,433,110	1,149,895,300
Trade receivables	195,882,034,842	(3,036,998,370)	252,671,590,195	(2,903,790,128)	192,845,036,472	249,767,800,067
Receivable from related parties	32,135,952,779	-	27,553,174,999	-	32,135,952,779	27,553,174,999
Other receivables	26,210,070,618	(7,786,000,000)	24,921,213,151	(7,786,000,000)	18,424,070,618	17,135,213,151
Cash and cash equivalents	289,054,551,350	-	169,039,104,727	-	289,054,551,350	169,039,104,727
TOTAL	**546,156,498,154**	**(11,960,723,825)**	**476,770,433,827**	**(11,474,085,583)**	**534,195,774,329**	**465,296,348,244**

28. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

VND

	Carrying amount		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Financial liabilities				
Loans and borrowings	685,435,499,132	674,209,614,718	685,435,499,132	674,209,614,718
Payable to related parties	53,948,000	-	53,948,000	-
Trade payables	93,302,562,457	62,547,270,793	93,302,562,457	62,547,270,793
Other current liabilities	662,210,152,425	324,821,595,623	662,210,152,425	324,821,595,623
TOTAL	**1,441,002,162,014**	**1,061,578,481,134**	**1,441,002,162,014**	**1,061,578,481,134**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of borrowings is estimated by discounting future cash flows using rates currently available for debt or similar terms, credit risk and remaining maturities. As at 31 December 2011, the carrying amounts of such borrowings, are not materially different from their calculated fair values.

29. 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 separate financial statements.

30. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the separate income statement have been reclassified to reflect the presentation of the current year's separate financial statements.

	Previous year (previously presented)	*Reclassification*	*Previous year (reclassified)*
Separate income statement			
Other expenses	(15,652,322,108)	1,587,364,894	(14,064,957,214)
Other loss	(6,922,413,138)	1,587,364,894	(5,335,048,244)
Profit before tax	341,931,824,159	1,587,364,894	343,519,189,053
Current CIT expense	(85,719,397,689)	(1,587,364,894)	(87,306,762,583)

In 2010, the Company paid an additional CIT expense of VND 1,587,364,894 of the year 2008 in accordance with tax minutes dated 15 July 2010. Accordingly, this additional CIT expense has been reclassified into the current CIT expense rather than other expense as reported in the separate income statement for the year ended 31 December 2010.

CÔNG TY CỔ PHẦN ĐẦU TƯ XÂY DỰNG BÌNH CHÁNH

Nguyen Thi Kim Thoa
Accountant in charge

Nguyen Thuy Nhan
General Director

15 March 2012