



**Binh Chanh Construction Investment
Joint Stock Company**

Interim consolidated financial statements

30 June 2012

Ernst & Young

 **ERNST & YOUNG**

Binh Chanh Construction Investment Joint Stock Company

CONTENTS

| | <i>Pages</i> |
|---|--------------|
| General information | 1 |
| Report of management | 2 |
| Report on review of interim consolidated financial statements | 3 |
| Interim consolidated balance sheet | 4 - 5 |
| Interim consolidated income statement | 6 |
| Interim consolidated cash flow statement | 7 - 8 |
| Notes to the interim consolidated financial statements | 9 - 40 |

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 ("DPI") of Ho Chi Minh City on 24 December 1999, as amended.

The Company was listed on the Ho Chi Minh City Stock Exchange ("HOSE") in accordance with License No. 128/QD-SGDHCM issued by the General Director of HOSE on 25 December 2008.

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 period 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 period 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 period and at the date of this report are:

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

LEGAL REPRESENTATIVE

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

AUDITORS

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

Binh Chanh Construction Investment Joint Stock Company

REPORT OF MANAGEMENT

Management of Binh Chanh Construction Investment Joint Stock Company ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six-month period ended 30 June 2012.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated state of affairs of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim consolidated 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 interim consolidated financial statements; and
- prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

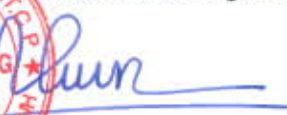
Management confirmed that it has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2012 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.

For and on behalf of Management:





Nguyen Thuy Nhan
General Director

28 August 2012

Reference: 60933602/ 15504878

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the interim consolidated financial statements of Binh Chanh Construction Investment Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as the "Group") as set out on pages 4 to 40 which comprise the interim consolidated balance sheet as at 30 June 2012, and the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these interim consolidated financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2012, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.



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



Le Quang Minh
Auditor
Certificate No. 0426/KTV

Ho Chi Minh City, Vietnam

28 August 2012

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2012

VND

| Code | ASSETS | Notes | 30 June 2012 | 31 December 2011 |
|------------|---|-----------|--------------------------|--------------------------|
| 100 | A. CURRENT ASSETS | | 3,014,037,663,350 | 2,999,428,598,209 |
| 110 | I. Cash and cash equivalents | 4 | 504,296,769,929 | 295,341,057,104 |
| 111 | 1. Cash | | 1,896,769,929 | 6,786,057,104 |
| 112 | 2. Cash equivalents | | 502,400,000,000 | 288,555,000,000 |
| 120 | II. Short-term investments | 5 | 1,149,895,300 | 1,438,433,110 |
| 121 | 1. Short-term investments | | 1,149,895,300 | 1,438,433,110 |
| 130 | III. Current accounts receivable | | 230,208,940,150 | 227,242,269,122 |
| 131 | 1. Trade receivables | 6 | 186,018,322,205 | 196,483,799,842 |
| 132 | 2. Advances to suppliers | | 10,768,354,001 | 12,584,274,032 |
| 135 | 3. Other receivables | 7 | 46,035,232,043 | 30,948,825,618 |
| 139 | 4. Provision for doubtful debts | 6,7 | (12,612,968,099) | (12,774,630,370) |
| 140 | IV. Inventories | | 2,268,711,438,865 | 2,462,032,498,719 |
| 141 | 1. Inventories | 8 | 2,268,711,438,865 | 2,462,032,498,719 |
| 150 | V. Other current assets | | 9,670,619,106 | 13,374,340,154 |
| 151 | 1. Short-term prepaid expenses | | - | 2,874,000 |
| 152 | 2. Value-added tax deductible | | 1,362,626,220 | 2,011,268,044 |
| 154 | 3. Tax and other receivables from the State | | - | 63,583,104 |
| 158 | 4. Other current assets | | 8,307,992,886 | 11,296,615,006 |
| 200 | B. NON-CURRENT ASSETS | | 781,334,512,712 | 1,294,702,364,693 |
| 220 | I. Fixed assets | | 529,357,858,513 | 1,060,468,726,018 |
| 221 | 1. Tangible fixed assets | 9 | 26,929,099,823 | 30,510,309,222 |
| 222 | Cost | | 65,782,270,068 | 68,256,973,040 |
| 223 | Accumulated depreciation | | (38,853,170,245) | (37,746,663,818) |
| 227 | 2. Intangible fixed assets | 10 | 430,151,797 | 541,508,758 |
| 228 | Cost | | 1,640,878,376 | 1,632,272,376 |
| 229 | Accumulated amortisation | | (1,210,726,579) | (1,090,763,618) |
| 230 | 3. Construction in progress | 11 | 501,998,606,893 | 1,029,416,908,038 |
| 240 | II. Investment properties | 12 | 101,499,106,670 | 103,000,194,794 |
| 241 | 1. Cost | | 149,571,726,842 | 149,571,726,842 |
| 242 | 2. Accumulated depreciation | | (48,072,620,172) | (46,571,532,048) |
| 250 | III. Long-term investments | | 150,320,338,746 | 130,834,505,506 |
| 252 | 1. Investments in associates | 13.1 | 144,937,388,746 | 126,353,575,506 |
| 258 | 2. Other long-term investment | 13.2 | 7,904,904,214 | 7,054,904,214 |
| 259 | 3. Provision for long-term investments | 13.2 | (2,521,954,214) | (2,573,974,214) |
| 260 | IV. Other long-term assets | | 157,208,783 | 398,938,375 |
| 261 | 1. Long-term prepaid expenses | | - | 241,729,592 |
| 268 | 2. Other long-term assets | | 157,208,783 | 157,208,783 |
| 270 | TOTAL ASSETS | | 3,795,372,176,062 | 4,294,130,962,902 |

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2012

VND

| Code | RESOURCES | Notes | 30 June 2012 | 31 December 2011 |
|------------|---|-------------|--------------------------|--------------------------|
| 300 | A. LIABILITIES | | 1,930,286,439,051 | 2,371,215,396,325 |
| 310 | I. Current liabilities | | 708,754,864,875 | 1,183,217,676,259 |
| 311 | 1. Short-term loans | 16 | 151,610,660,000 | 386,674,675,681 |
| 312 | 2. Trade payables | | 78,912,236,288 | 93,467,300,657 |
| 313 | 3. Advances from customers | | 1,162,565,708 | 1,400,682,992 |
| 314 | 4. Statutory obligations | 17 | 106,068,842,090 | 15,816,131,912 |
| 315 | 5. Payables to employees | | - | 156,730,919 |
| 316 | 6. Accrued expenses | 18 | 133,188,812,489 | 152,352,888,574 |
| 319 | 7. Other payables | 19 | 235,046,666,433 | 531,381,038,856 |
| 323 | 8. Bonus and welfare fund | | 2,765,081,867 | 1,968,226,668 |
| 330 | II. Non-current liabilities | | 1,221,531,574,176 | 1,187,997,720,066 |
| 333 | 1. Other long-term liabilities | | 7,650,974,006 | 39,582,056,339 |
| 334 | 2. Long-term loans and debts | 20 | 393,466,619,934 | 415,601,129,451 |
| 335 | 3. Deferred tax liabilities | 27.3 | 2,182,684,167 | - |
| 336 | 4. Provision for severance allowance | | 1,993,960,167 | 2,279,904,325 |
| 338 | 5. Unearned revenues | 21 | 816,237,335,902 | 730,534,629,951 |
| 400 | B. OWNERS' EQUITY | | 1,777,811,414,751 | 1,733,535,652,171 |
| 410 | I. Capital | 22.1 | 1,777,799,957,608 | 1,733,524,195,028 |
| 411 | 1. Share capital | 22.2 | 722,670,000,000 | 722,670,000,000 |
| 412 | 2. Share premium | | 610,750,058,000 | 610,750,058,000 |
| 416 | 3. Foreign exchange differences reserve | | - | (2,268,654,926) |
| 417 | 4. Investment and development fund | | 136,210,275,252 | 136,210,275,252 |
| 418 | 5. Financial reserve fund | | 73,365,408,572 | 73,365,408,572 |
| 419 | 6. Other funds belonging to owners' equity | | 12,332,000,000 | 12,332,000,000 |
| 420 | 7. Undistributed earnings | | 222,472,215,784 | 180,465,108,130 |
| 430 | II. Other fund | | 11,457,143 | 11,457,143 |
| 432 | 1. Subsidised fund | | 11,457,143 | 11,457,143 |
| 439 | C. MINORITY INTERESTS | | 87,274,322,260 | 189,379,914,406 |
| 440 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 3,795,372,176,062 | 4,294,130,962,902 |


 Nguyen Thi Kim Thoa
 Accountant in charge


 Nguyen Thuy Nhan
 General Director


28 August 2012

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2012

VND

| Code | ITEMS | Notes | For the six-month period ended 30 June 2012 | For the six-month period ended 30 June 2011 |
|------|---|-------|---|---|
| 01 | 1. Revenue from sale of goods and rendering of services | 23.1 | 99,734,181,389 | 108,460,186,772 |
| 02 | 2. Deductions | 23.1 | - | - |
| 10 | 3. Net revenue from sale of goods and rendering of services | 23.1 | 99,734,181,389 | 108,460,186,772 |
| 11 | 4. Cost of goods sold and services rendered | 24 | (239,538,981,443) | (44,649,411,152) |
| 20 | 5. Gross (loss) profit from sale of goods and rendering of services | | (139,804,800,054) | 63,810,775,620 |
| 21 | 6. Finance income | 23.2 | 448,816,792,209 | 7,300,719,557 |
| 22 | 7. Finance expenses | 25 | (50,821,536,442) | (11,632,236,111) |
| 23 | - In which: Interest expense | | (43,820,006,442) | (4,108,611,111) |
| 24 | 8. Selling expenses | | (1,523,012,239) | (2,321,957,696) |
| 25 | 9. General and administrative expenses | | (25,041,721,748) | (27,805,604,402) |
| 30 | 10. Operating profit | | 231,625,721,726 | 29,351,696,968 |
| 31 | 11. Other income | 26 | 653,157,565 | 1,508,508,699 |
| 32 | 12. Other expenses | 26 | (4,812,055,015) | (3,440,401,300) |
| 40 | 13. Other loss | | (4,158,897,450) | (1,931,892,601) |
| 45 | 14. Share of profit in associates | | 18,583,813,240 | 14,513,803,885 |
| 50 | 15. Profit before tax | | 246,050,637,516 | 41,933,608,252 |
| 51 | 16. Current corporate income tax expense | 27.2 | (91,278,153,241) | (7,656,000,886) |
| 52 | 17. Deferred income tax expense | 27.3 | (2,182,684,167) | - |
| 60 | 18. Net profit after tax | | 152,589,800,108 | 34,277,607,366 |
| | Attributable to: | | | |
| | 18.1 Minority interests | | (595,376,745) | (477,515,429) |
| | 18.2 Equity holders of the Company | | 153,185,176,853 | 34,755,122,795 |
| 70 | 19. Basic earnings per share | 22.4 | 2,120 | 481 |


Nguyen Thi Kim Thoa
Accountant in charge


Nguyen Thuy Nhan
General Director

28 August 2012

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2012

VND

| Code | ITEMS | Notes | For the six-month period ended 30 June 2012 | For the six-month period ended 30 June 2011 |
|------|--|-----------|---|---|
| | I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | Profit before tax | | 246,050,637,516 | 41,933,608,252 |
| | <i>Adjustments for:</i> | | | |
| 02 | Depreciation and amortisation | 9, 10, 12 | 4,793,709,688 | 6,689,378,162 |
| 03 | Provisions | | (499,626,429) | 387,319,876 |
| 04 | Unrealised foreign exchange losses | | - | 6,904,170,000 |
| 05 | Gains from investing activities | | (466,550,796,189) | (21,466,448,442) |
| 06 | Interest expense | 25 | 43,820,006,442 | 4,108,611,111 |
| 08 | Operating (loss) profit before changes in working capital | | (172,386,068,972) | 38,556,638,959 |
| 09 | Decrease in receivables | | 6,656,665,476 | 29,786,996,339 |
| 10 | Decrease (increase) in inventories | | 194,121,939,257 | (78,171,674,307) |
| 11 | Increase (decrease) in payables | | 112,957,140,587 | (16,612,947,749) |
| 12 | Decrease in prepaid expenses | | 244,603,592 | 169,633,743 |
| 13 | Interest paid | | (58,753,632,291) | (41,242,475,909) |
| 14 | Corporate income tax paid | 27.2 | (7,985,186,285) | (17,683,920,777) |
| 16 | Other cash outflows from operating activities | | (1,152,451,582) | (7,433,640,840) |
| 20 | Net cash flows from (used in) operating activities | | 73,703,009,782 | (92,631,390,541) |
| | II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 21 | Purchases of fixed assets | | (196,384,505,393) | (17,051,524,947) |
| 25 | Payment for investments in other entities | | (850,000,000) | - |
| 26 | Proceeds from sale of investments in other entities | | 294,195,345,862 | - |
| 27 | Interest and dividends received | | 58,812,537,972 | 7,796,519,796 |
| 30 | Net cash flows from (used in) investing activities | | 155,773,378,441 | (9,255,005,151) |
| | III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 33 | Drawdown of borrowings | | 137,106,794,000 | 103,671,204,180 |
| 34 | Repayment of borrowings | | (156,795,319,198) | (61,929,398,608) |
| 36 | Dividends paid | 22.2 | (832,150,200) | (48,671,507,500) |
| 40 | Net cash flows used in financing activities | | (20,520,675,398) | (6,929,701,928) |

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2012

VND

| Code | ITEMS | Notes | For the six-month period ended 30 June 2012 | For the six-month period ended 30 June 2011 |
|------|---|-------|---|---|
| 50 | Net increase (decrease) in cash and cash equivalents | | 208,955,712,825 | (108,816,097,620) |
| 60 | Cash and cash equivalents at beginning of period | | 295,341,057,104 | 179,233,801,427 |
| 70 | Cash and cash equivalents at end of period | 4 | 504,296,769,929 | 70,417,703,807 |



Nguyen Thi Kim Thoa
Accountant in charge




Nguyen Thuy Nhan
General Director

28 August 2012

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at and for the six-month period ended 30 June 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 2009, as amended.

The Company was listed on the Ho Chi Minh City Stock Exchange ("HOSE") in accordance with License No. 128/QD-SGDHCM issued by the General Director of HOSE on 25 December 2008.

The principal activities the Company and its subsidiaries ("the Group") 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 Group's employees as at 30 June 2012 was 202 (31 December 2011: 278).

Corporate structure

The Company's corporate structure includes 2 subsidiaries, in which:

Phong Phu Industrial Park Joint Stock Company ("Phong Phu"), a joint stock company in which the Company holds 70% ownership interest, 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.

On 3 April 2012, the Company completed the disposal of all its ownership interest in Phong Phu to Saigon New Town Investment Corporation ("Saigon NIC") in accordance with the Share Transfer Agreement dated 29 August 2011. The disposal was approved by the Board of Directors and the DPI of Ho Chi Minh City through issuance of Business Registration Certificate No. 0302331382 dated 6 April 2012.

BCI Corporation (formerly known as Bach Binh Real Estate Corporation) ("BCI"), a joint stock company in which the Company holds 69% ownership interest, 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 Chanh District, Ho Chi Minh City, Vietnam. BCI's principal activities are to invest and trade real estates.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The interim consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other 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 interim consolidated balance sheet, interim consolidated income statement, interim consolidated 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 financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Group's applied accounting documentation system is the Journal Ledger system.

2.3 *Fiscal year*

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

2.4 *Accounting currency*

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

2.5 *Basis of consolidation*

The interim consolidated financial statements comprise the interim financial statements of the parent company and its subsidiaries for the six-month period ended 30 June 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The interim financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company interim balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet, separately from parent shareholders' equity.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *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.

3.2 *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.

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.

3.3 *Receivables*

Receivables are presented in the interim consolidated 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 interim consolidated income statement.

3.4 *Fixed assets*

Fixed assets are stated at cost less accumulated depreciation and amortisation.

The cost of a 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 consolidated income statement as incurred.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *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.

3.6 *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 Group.

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 interim consolidated 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.

3.7 *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 period 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.

3.8 *Prepaid expenses*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Investments in associates*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiary nor joint venture. The Group generally deems they have significant influence if they have from 20% of above of the voting rights.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortised over a 10-year period.

The share of post-acquisition profit (loss) of the associates is presented on the face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3.10 *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 interim consolidated income statement.

3.11 *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 Group.

3.12 *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 balance sheet date. Any changes to the accrued amount will be taken to the interim consolidated income statement.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Foreign currency transactions

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

Transactions in currencies other than the Group's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the period, 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 interim consolidated income statement.

Realised and unrealised foreign exchange differences arising during the construction phase are recorded in the equity section of the interim consolidated balance sheet. Upon the completion of construction, all accumulated realised exchange differences arising during the construction period, and unrealised exchange differences arising upon translation of monetary items at the date of commencing operations, are transferred to prepaid expense in the interim consolidated balance sheet and amortised to finance income/expense over a period of 5 years.

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 ("Circular 201") as follows:

| Transaction | Accounting treatment under | |
|--|---|--|
| | VAS 10 | Circular 201 |
| Translation of short-term monetary assets and liabilities denominated in foreign currencies. | All unrealised foreign exchange differences are taken to the interim consolidated income statement. | All unrealised foreign exchange differences are taken to the "Foreign exchange differences reserve" account in the equity section of the interim consolidated balance sheet and will be reversed on the following period. |
| Translation of long-term monetary liabilities denominated in foreign currencies at year end. | All unrealised foreign exchange differences are taken to the interim consolidated income statement. | All unrealised foreign exchange gains are taken to the interim consolidated income statement. All foreign exchange losses will be charged to the interim consolidated income statement. However, if the charging of all foreign exchange losses results in net loss before tax for the Group, part of the exchange losses can be deferred and allocated to the interim consolidated income statement within the subsequent five years. In any case, the total foreign exchange loss to be charged to current period'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 interim consolidated balance sheet and allocated to the interim consolidated income statement within the subsequent five years. |

However, the impact to the interim consolidated financial statements had the Group adopted the Circular 201 for the six-month period ended 30 June 2012 was not material as a whole.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 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 Group's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group'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 Group'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 Group'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.

3.15 Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

3.16 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

Rental income

Rental income arising from operating leases is recorded to the interim consolidated income statement and accounted for on a straight line basis over the terms of the lease.

Rendering of services

Revenues are recognised upon completion of the services provided.

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 Group's entitlement as an investor to receive the dividend is established.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 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 interim consolidated 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 Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred income 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.

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 interim consolidated 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 Group 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.

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.

3.18 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Group's revenue and profit are derived mainly from development and trading of real estate properties in Vietnam while other sources of revenue is not material as a whole, the management accordingly believed that the Group operates in a sole business segment of real estate properties. Geographical segment of the Company is in Vietnam only.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *Financial instruments*

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of 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 issued by the Ministry of Finance on 6 November 2009 ("Circular 210") are classified, for disclosures in the notes to the interim consolidated 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 Group determines the classification of its financial assets at initial recognition.

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

The Group'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 interim consolidated financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

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

The Group'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 interim consolidated 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 | |
|------------------|------------------------|------------------------|
| | 30 June 2012 | 31 December 2011 |
| Cash on hand | 83,459,244 | 402,732,319 |
| Cash in banks | 1,813,310,685 | 6,383,324,785 |
| Cash equivalents | 502,400,000,000 | 288,555,000,000 |
| TOTAL | 504,296,769,929 | 295,341,057,104 |

Cash equivalents mainly represent short-term bank deposits with original 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 rate of 11% per annum.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

5. SHORT-TERM INVESTMENTS

Short-term investments represent the term deposits at banks with original maturity of six months and earn interest at the rate of 9% per annum.

6. TRADE RECEIVABLES

| | VND | |
|------------------------------|------------------------|------------------------|
| | 30 June 2012 | 31 December 2011 |
| Due from third parties | 186,018,322,205 | 196,483,799,842 |
| TOTAL | 186,018,322,205 | 196,483,799,842 |
| Provision for doubtful debts | (3,477,101,099) | (3,638,763,370) |
| NET | 182,541,221,106 | 192,845,036,472 |

7. OTHER RECEIVABLES

| | VND | |
|--|-----------------------|-----------------------|
| | 30 June 2012 | 31 December 2011 |
| Advances for development of project | 13,297,540,778 | 14,709,675,766 |
| Provisional corporate income tax (*) | 11,778,670,723 | 10,004,500,776 |
| Advance for land compensation | - | 3,014,362,000 |
| Interest income | 9,518,786,509 | 1,250,017,336 |
| Late payment interest due from Phong Phu Industrial Park Joint Stock Company | 8,794,268,760 | - |
| Advances to staffs | 2,624,617,000 | 1,724,393,000 |
| Others | 21,348,273 | 245,876,740 |
| TOTAL | 46,035,232,043 | 30,948,825,618 |
| Provision for doubtful debts | (9,135,867,000) | (9,135,867,000) |
| NET | 36,899,365,043 | 21,812,958,618 |

(*) 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 Group 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.

8. INVENTORIES

| | VND | |
|---|--------------------------|--------------------------|
| | 30 June 2012 | 31 December 2011 |
| Inventory properties in progress (*) | 2,261,639,318,252 | 2,454,960,378,106 |
| Real estate properties available for sale | 7,072,120,613 | 7,072,120,613 |
| TOTAL | 2,268,711,438,865 | 2,462,032,498,719 |

(*) This represents development and construction costs of the on-going residential area projects. Parts of these projects were pledged to obtain loans from banks (Note 20).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

9. TANGIBLE FIXED ASSETS

| | VND | | | | |
|---|-------------------------------------|------------------------------------|------------------------|-------------------------|-------------------------|
| | <i>Buildings and structures</i> | <i>Machinery and equipment</i> | <i>Motor vehicles</i> | <i>Office equipment</i> | <i>Total</i> |
| Cost: | | | | | |
| As at 31 December 2011 | 21,101,538,909 | 29,603,292,674 | 12,712,526,508 | 4,839,614,949 | 68,256,973,040 |
| Newly purchased | - | 99,000,000 | - | 34,818,182 | 133,818,182 |
| Decrease from disposal of a subsidiary (<i>Note 14</i>) | (1,528,858,728) | - | (850,349,949) | (229,312,477) | (2,608,521,154) |
| As at 30 June 2012 | <u>19,572,680,181</u> | <u>29,702,292,674</u> | <u>11,862,176,559</u> | <u>4,645,120,654</u> | <u>65,782,270,068</u> |
| <i>In which:</i> | | | | | |
| Fully depreciated | 835,671,554 | 942,260,395 | 1,063,755,674 | 3,272,735,857 | 6,114,423,480 |
| Accumulated depreciation: | | | | | |
| As at 31 December 2011 | (6,467,853,197) | (20,785,355,370) | (6,587,908,545) | (3,905,546,706) | (37,746,663,818) |
| Depreciation for the period | (590,276,001) | (1,535,010,717) | (774,791,561) | (253,686,324) | (3,153,764,603) |
| Decrease from disposal of a subsidiary (<i>Note 14</i>) | 1,295,283,089 | - | 567,464,929 | 184,510,158 | 2,047,258,176 |
| As at 30 June 2012 | <u>(5,762,846,109)</u> | <u>(22,320,366,087)</u> | <u>(6,795,235,177)</u> | <u>(3,974,722,872)</u> | <u>(38,853,170,245)</u> |
| Net carrying amount: | | | | | |
| As at 31 December 2011 | <u>14,633,685,712</u> | <u>8,817,937,304</u> | <u>6,124,617,963</u> | <u>934,068,243</u> | <u>30,510,309,222</u> |
| As at 30 June 2012 | <u>13,809,834,072</u> | <u>7,381,926,587</u> | <u>5,066,941,382</u> | <u>670,397,782</u> | <u>26,929,099,823</u> |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

10. INTANGIBLE FIXED ASSETS

| | VND | | |
|---|------------------------|--------------------------|------------------------|
| | <i>ISO Certificate</i> | <i>Computer software</i> | <i>Total</i> |
| Cost: | | | |
| As at 31 December 2011 | 331,744,151 | 1,300,528,225 | 1,632,272,376 |
| Purchased | - | 27,500,000 | 27,500,000 |
| Decrease from disposal of a subsidiary (<i>Note 14</i>) | - | (18,894,000) | (18,894,000) |
| As at 30 June 2012 | <u>331,744,151</u> | <u>1,309,134,225</u> | <u>1,640,878,376</u> |
| <i>In which:</i> | | | |
| Fully amortised | 331,744,151 | 448,645,225 | 780,389,376 |
| Accumulated amortisation: | | | |
| As at 31 December 2011 | (331,744,151) | (759,019,467) | (1,090,763,618) |
| Amortisation for the period | - | (138,856,961) | (138,856,961) |
| Decrease from disposal of a subsidiary (<i>Note 14</i>) | - | 18,894,000 | 18,894,000 |
| As at 30 June 2012 | <u>(331,744,151)</u> | <u>(878,982,428)</u> | <u>(1,210,726,579)</u> |
| Net carrying amount: | | | |
| As at 31 December 2011 | <u>-</u> | <u>541,508,758</u> | <u>541,508,758</u> |
| As at 30 June 2012 | <u>-</u> | <u>430,151,797</u> | <u>430,151,797</u> |

11. CONSTRUCTION IN PROGRESS

| | VND | |
|--|-------------------------------|---------------------------------|
| | <i>30 June 2012</i> | <i>31 December 2011</i> |
| 510 Kinh Duong Vuong project | 252,790,577,180 | 252,720,242,430 |
| Le Minh Xuan Industrial Zone | 220,753,992,236 | 219,967,687,577 |
| 175 An Lac project | 27,967,140,000 | 27,967,140,000 |
| Phong Phu Industrial Park (<i>Note 14</i>) | - | 528,272,640,554 |
| Others | 486,897,477 | 489,197,477 |
| TOTAL | <u>501,998,606,893</u> | <u>1,029,416,908,038</u> |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

12. INVESTMENT PROPERTIES

| | | | VND |
|---|------------------------|-------------------------|-------------------------|
| | <i>Factories</i> | <i>Infrastructure</i> | <i>Total</i> |
| Cost: | | | |
| As at 31 December 2011 and 30 June 2012 | 7,146,210,413 | 142,425,516,429 | 149,571,726,842 |
| Accumulated depreciation: | | | |
| As at 31 December 2011 | (5,379,602,672) | (41,191,929,376) | (46,571,532,048) |
| Depreciation for the period | (63,093,134) | (1,437,994,990) | (1,501,088,124) |
| As at 30 June 2012 | <u>(5,442,695,806)</u> | <u>(42,629,924,366)</u> | <u>(48,072,620,172)</u> |
| Net carrying amount: | | | |
| As at 31 December 2011 | <u>1,766,607,741</u> | <u>101,233,587,053</u> | <u>103,000,194,794</u> |
| As at 30 June 2012 | <u>1,703,514,607</u> | <u>99,795,592,063</u> | <u>101,499,106,670</u> |

The fair values of the investment property as at 30 June 2012 had not yet been formally assessed and determined, but the management believed that it was much higher than the property's carrying values.

13. LONG-TERM INVESTMENTS

13.1 *Investments in associates*

| | <u>30 June 2012</u> | | <u>31 December 2011</u> | |
|--|-------------------------------|---------------|-------------------------------|---------------|
| | VND | % of interest | VND | % of interest |
| Saigon Asia Investment and Reality Corporation | 4,862,761,310 | 50 | 4,862,761,310 | 50 |
| Espace Big C An Lac | 120,014,315,064 | 20 | 101,430,501,824 | 20 |
| Green Buildings Company Limited | <u>20,060,312,372</u> | 20 | <u>20,060,312,372</u> | 20 |
| TOTAL | <u>144,937,388,746</u> | | <u>126,353,575,506</u> | |

| | VND | |
|--|--|--|
| | <i>For the six-month period ended 30 June 2012</i> | <i>For the six-month period ended 30 June 2011</i> |
| Cost of investment in associates | 69,118,008,060 | 69,118,008,060 |
| Accumulated share in post-acquisition profit of the associates | <u>75,819,380,686</u> | <u>35,623,846,815</u> |
| | <u>144,937,388,746</u> | <u>104,741,854,875</u> |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

13. LONG-TERM INVESTMENTS (continued)

13.1 *Investments in associates* (continued)

Saigon Asia Investment and Realty 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.

Espace 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.

13.2 *Other long-term investments*

| | VND | | | |
|---|-----------------------|----------------------|--------------------------|----------------------|
| | <i>Ending balance</i> | | <i>Beginning balance</i> | |
| | <i>Quantity</i> | <i>Value</i> | <i>Quantity</i> | <i>Value</i> |
| 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 | | 6,469,448,759 | | 5,619,448,759 |
| TOTAL | | 7,904,904,214 | | 7,054,904,214 |
| Provision for long-term investments | | (2,521,954,214) | | (2,573,974,214) |
| NET AMOUNT | | 5,382,950,000 | | 4,480,930,000 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

14. DISPOSAL OF A SUBSIDIARY

On 3 April 2012, the Company's Board of Directors decided to fully divest its investment in Phong Phu to Saigon New Town Investment Corporation ("Saigon NIC") with the proceeds of VND 607,399,028,450 in accordance with the Share Transfer Agreement. As a result, the Company lost its control of Phong Phu on that date.

The Company's management considered the substance of transaction and, on this basis, has decided to account for the transaction as follows:

- derecognised the assets and liabilities of the subsidiary at their carrying amounts at the date when control was lost;
- derecognised the carrying amount of any non-controlling interests in the former subsidiary at the date when control was lost; and
- recognized any resulting difference as a gain or loss in profit or loss attributable to the parent.

The carrying values of identifiable assets and liabilities of Phong Phu at the date when control was lost are presented as follows:

| | VND |
|--|--------------------------|
| | <i>Carrying value</i> |
| Cash | 5,804,654,138 |
| Receivables | 4,570,649,745 |
| Current assets | 10,375,303,883 |
| Fixed assets – net (<i>Notes 9 and 10</i>) | 561,262,978 |
| Construction in progress | 723,080,225,378 |
| Non-current assets | 723,641,488,356 |
| Total assets | 734,016,792,239 |
| Loans | (260,110,000,000) |
| Payables | (132,298,471,959) |
| Total liabilities | (392,408,471,959) |
| Net assets | 341,608,320,280 |
| 70% of net assets | 239,125,824,196 |
| Proceeds from disposal | 607,399,028,450 |
| Gain from disposal (<i>Note 23.2</i>) | 368,273,204,254 |

15. CAPITALISED BORROWING COST

During the period, the Group capitalized interest expenses of VND 800,879,403 (for the six-month period ended 30 June 2011: VND 41,724,981,797). These costs were relating to borrowings to finance for construction and development of Phong Phu 4 Residential project.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

16. SHORT-TERM LOANS

| | VND | |
|---|-------------------------------|-------------------------------|
| | 30 June 2012 | 31 December 2011 |
| Loans from banks | - | 153,500,000,000 |
| Current portion of long-term loans and debts (Note 20) | <u>151,610,660,000</u> | <u>233,174,675,681</u> |
| TOTAL | <u>151,610,660,000</u> | <u>386,674,675,681</u> |

17. STATUTORY OBLIGATIONS

| | VND | |
|----------------------------------|-------------------------------|------------------------------|
| | 30 June 2012 | 31 December 2011 |
| Corporate income tax (Note 27.2) | 93,001,575,258 | 7,934,438,355 |
| Value-added tax | 13,021,512,984 | 7,797,326,454 |
| Natural resource tax | 36,807,857 | 40,625,562 |
| Personal income tax | <u>8,945,991</u> | <u>43,741,541</u> |
| TOTAL | <u>106,068,842,090</u> | <u>15,816,131,912</u> |

18. ACCRUED EXPENSES

| | VND | |
|---------------|-------------------------------|-------------------------------|
| | 30 June 2012 | 31 December 2011 |
| Project costs | 110,846,811,147 | 115,731,858,513 |
| Loan interest | 21,769,640,566 | 35,902,387,012 |
| Others | <u>572,360,776</u> | <u>718,643,049</u> |
| TOTAL | <u>133,188,812,489</u> | <u>152,352,888,574</u> |

19. OTHER PAYABLES

| | VND | |
|---|-------------------------------|-------------------------------|
| | 30 June 2012 | 31 December 2011 |
| Dividend payables | 109,531,570,000 | 1,963,220,200 |
| Land compensation payables | 86,404,902,499 | 89,747,339,499 |
| Repair and maintenance fee | 10,105,487,188 | 8,513,396,069 |
| Deposits received | 8,298,234,939 | 7,663,970,827 |
| Commission fee | 7,000,000,000 | - |
| Advance received for transferring ownership interest in Phong Phu | - | 400,000,000,000 |
| Non-interest bearing borrowing from South Saigon Development Corporation | - | 7,690,000,000 |
| Others | <u>13,706,471,807</u> | <u>15,803,112,261</u> |
| TOTAL | <u>235,046,666,433</u> | <u>531,381,038,856</u> |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
 as at and for the six-month period ended 30 June 2012

20. LONG-TERM LOANS AND DEBTS

| | VND | |
|--|------------------------|------------------------|
| | 30 June 2012 | 31 December 2011 |
| Loans from banks (i) | 151,154,704,934 | 206,662,216,967 |
| Loans from other entities (ii) | 8,631,915,000 | 56,822,928,165 |
| Debt from Department of Finance Ho Chi Minh City (iii) | 85,290,660,000 | 85,290,660,000 |
| Bonds issued (iv) | 300,000,000,000 | 300,000,000,000 |
| TOTAL | 545,077,279,934 | 648,775,805,132 |
| <i>In which</i> | | |
| <i>Current portion (Note 16)</i> | 151,610,660,000 | 233,174,675,681 |
| <i>Non-current portion</i> | 393,466,619,934 | 415,601,129,451 |

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

| Banks | 30 June 2012 | Principal repayment term | Purpose | Interest rate | Description of collateral |
|--|------------------------|--------------------------|---------------------------------|---|--|
| VND | | | | | |
| Military Commercial Joint Stock Bank – Cho Lon Branch | | | | | |
| Loan agreement No. 331.09.701.479 633.TDTH | 84,614,704,934 | 21 December 2014 | Tan Tao 1 Apartment project | Savings deposit interest for 24 months plus 3.5% p.a. | Land use rights of 6,127.9 m ² and associated infrastructure at Tan Tao Ward, Binh Tan District, Ho Chi Minh City |
| <i>In which:</i> | | | | | |
| <i>Current portion</i> | 58,000,000,000 | | | | |
| Vietnam Joint Stock Commercial Bank for Industry and Trade – Tay Sai Gon Branch | | | | | |
| Loan agreement No. 100200117/HD TD.TDH | 66,540,000,000 | 1 November 2015 | Phong Phu 4 Residential project | Savings deposit interest plus 2.7% p.a. | Land use rights of 14,850 m ² No. AC 241246, BD 747602, BD 747607 and BD 747654 of Phong Phu 4 project |
| <i>In which:</i> | | | | | |
| <i>Current portion</i> | 6,600,000,000 | | | | |
| TOTAL | 151,154,704,934 | | | | |
| <i>In which:</i> | | | | | |
| <i>Current portion</i> | 64,600,000,000 | | | | |
| <i>Non-current portion</i> | 86,554,704,934 | | | | |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

20. LONG-TERM LOANS AND DEBTS (continued)

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

| Name of entities | 30 June 2012 VND | Principal repayment terms | Purpose | Interest | Description of collateral |
|--|-----------------------------|---------------------------------|--|----------|--|
| Ho Chi Minh City Finance and Investment State | | | | | |
| Loan agreement No. 17/2010/HDTD-QDT-TD | 8,631,915,000 | 30 June 2017 | Wastewater treatment project in Le Minh Xuan Industrial Park | 16% p.a. | Land use right of 4,086.1 m2 No.BB971671 at An Lac Ward, Binh Tan District, Ho Chi Minh City |
| <i>In which:</i> | | | | | |
| Current portion | <u>1,720,000,000</u> | | | | |
| TOTAL | <u>8,631,915,000</u> | | | | |
| <i>In which:</i> | | | | | |
| Current portion | 1,720,000,000 | | | | |
| Non-current portion | 6,911,915,000 | | | | |

(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 Espace Big C An Lac in accordance with the Land Lease Contract No. 6063/HD-GTD dated 30 October 1998 with the Department of Land and Housing of Ho Chi Minh City. This is a non-interest bearing debt and matured on 16 December 2010 but not yet paid at the balance sheet date.

(iv) On 22 December 2009, the Group 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 Viet Nam, 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 Group 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 Viet Nam, 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 Group used the land use right 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 Group.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

21. UNEARNED REVENUES

| | VND | |
|---|-------------------------------|-------------------------------|
| | 30 June 2012 | 31 December 2011 |
| Advances received for transfer of land lots, apartments (*) | 588,933,536,191 | 500,225,038,828 |
| Advances received for land leases of Le Minh Xuan Industrial Park | <u>227,303,799,711</u> | <u>230,309,591,123</u> |
| TOTAL | <u>816,237,335,902</u> | <u>730,534,629,951</u> |

(*) This represents advances from customers to buy land lots and apartments for which the Group has issued invoices.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

22. OWNERS' EQUITY

22.1 Movements in owners' equity

| | | | | | | | | VND |
|--|------------------------|------------------------|---|---------------------------------------|---------------------------|--|---------------------------|--------------------------|
| | Share capital | Share premium | Foreign exchange differences reserve | Investment and development fund | Financial reserve fund | Other funds belonging to Owner's Equity | Undistributed earnings | Total |
| For the six-month period ended 30 June 2011 | | | | | | | | |
| As at 31 December 2010 | 722,670,000,000 | 610,750,058,000 | - | 79,710,275,252 | 45,115,408,572 | 6,682,000,000 | 264,645,845,297 | 1,729,573,587,121 |
| Net profit for the period | - | - | - | - | - | - | 34,755,122,795 | 34,755,122,795 |
| Profit appropriation | - | - | - | 56,500,000,000 | 28,250,000,000 | 5,650,000,000 | (90,400,000,000) | - |
| Transfer to bonus and welfare fund | - | - | - | - | - | - | (3,130,000,000) | (3,130,000,000) |
| Dividends declared | - | - | - | - | - | - | (72,267,000,000) | (72,267,000,000) |
| As at 30 June 2011 | <u>722,670,000,000</u> | <u>610,750,058,000</u> | <u>-</u> | <u>136,210,275,252</u> | <u>73,365,408,572</u> | <u>12,332,000,000</u> | <u>133,603,968,092</u> | <u>1,688,931,709,916</u> |
| For the six-month period ended 30 June 2012 | | | | | | | | |
| As at 31 December 2011 | 722,670,000,000 | 610,750,058,000 | (2,268,654,926) | 136,210,275,252 | 73,365,408,572 | 12,332,000,000 | 180,465,108,130 | 1,733,524,195,028 |
| Net profit for the period | - | - | - | - | - | - | 153,185,176,853 | 153,185,176,853 |
| Transfer to bonus and welfare fund | - | - | - | - | - | - | (2,777,569,199) | (2,777,569,199) |
| Dividends declared | - | - | - | - | - | - | (108,400,500,000) | (108,400,500,000) |
| Decrease due to disposal of a subsidiary | - | - | 2,268,654,926 | - | - | - | - | 2,268,654,926 |
| As at 30 June 2012 | <u>722,670,000,000</u> | <u>610,750,058,000</u> | <u>-</u> | <u>136,210,275,252</u> | <u>73,365,408,572</u> | <u>12,332,000,000</u> | <u>222,472,215,784</u> | <u>1,777,799,957,608</u> |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

22. OWNERS' EQUITY (continued)

22.2 Capital transactions with owners and distribution of dividends

| | VND | |
|----------------------------------|---|---|
| | For the six-month period ended 30 June 2012 | For the six-month period ended 30 June 2011 |
| Contributed share capital | | |
| Beginning balance | 722,670,000,000 | 722,670,000,000 |
| Increase | - | - |
| Ending balance | <u>722,670,000,000</u> | <u>722,670,000,000</u> |
| Dividend declared | <u>(108,400,500,000)</u> | <u>(72,267,000,000)</u> |
| Dividends paid | <u>(832,150,200)</u> | <u>(48,671,507,500)</u> |

22.3 Shares - ordinary shares

| | 30 June 2012 Number of shares | 31 December 2011 Number of shares |
|--------------------------------|----------------------------------|--------------------------------------|
| Shares authorised to be issued | 72,267,000 | 72,267,000 |
| Shares issued and fully paid | | |
| <i>Ordinary shares</i> | 72,267,000 | 72,267,000 |
| Shares in circulation | | |
| <i>Ordinary shares</i> | 72,267,000 | 72,267,000 |

22.4 Basic earnings per share

Basic earnings per share are calculated as follows:

| | VND | |
|---|---|---|
| | For the six-month period ended 30 June 2012 | For the six-month period ended 30 June 2011 |
| Net profit attributable to ordinary equity holders of the Company | 153,185,176,853 | 34,755,122,795 |
| Weighted average number of ordinary shares | <u>72,267,000</u> | <u>72,267,000</u> |
| Basic earnings per share | <u>2,120</u> | <u>481</u> |

There have been no dilutive potential ordinary shares during the period and up to the date of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

23. REVENUE

23.1 Revenue from sale of goods and rendering of services

| | VND | |
|--|--|--|
| | <i>For the six-month period ended 30 June 2012</i> | <i>For the six-month period ended 30 June 2011</i> |
| Gross revenue | 99,734,181,389 | 108,460,186,772 |
| <i>Of which:</i> | | |
| <i>Sale of residential land properties</i> | <i>73,459,457,657</i> | <i>84,351,833,796</i> |
| <i>Rendering of services</i> | <i>26,274,723,732</i> | <i>24,108,352,976</i> |
| Less | | |
| Sales returns | - | - |
| NET REVENUE | 99,734,181,389 | 108,460,186,772 |
| <i>Of which:</i> | | |
| <i>Sale of residential land properties</i> | <i>73,459,457,657</i> | <i>84,351,833,796</i> |
| <i>Rendering of services</i> | <i>26,274,723,732</i> | <i>24,108,352,976</i> |

23.2 Finance income

| | VND | |
|--|--|--|
| | <i>For the six-month period ended 30 June 2012</i> | <i>For the six-month period ended 30 June 2011</i> |
| Gains on disposal of investment in Phong Phu Industrial Park Joint Stock Company (Note 14) | 368,273,204,254 | - |
| Interest income | 67,081,307,145 | 6,932,412,157 |
| Late payment interest | 13,402,565,310 | - |
| Reversal of provision for long-term investments | 53,550,000 | - |
| Dividends earned | 6,165,500 | 20,232,400 |
| Unrealised foreign exchange gains | - | 348,075,000 |
| TOTAL | 448,816,792,209 | 7,300,719,557 |

24. COSTS OF GOODS SOLD AND SERVICE RENDERED

| | VND | |
|--|--|--|
| | <i>For the six-month period ended 30 June 2012</i> | <i>For the six-month period ended 30 June 2011</i> |
| Cost of residential land properties sold | 225,706,080,862 | 31,396,099,837 |
| Cost of services rendered | 13,832,900,581 | 13,253,311,315 |
| TOTAL | 239,538,981,443 | 44,649,411,152 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

25. FINANCE EXPENSES

| | VND | |
|-------------------------------------|--|--|
| | <i>For the six-month period ended 30 June 2012</i> | <i>For the six-month period ended 30 June 2011</i> |
| Loan interest | 43,820,006,442 | 4,108,611,111 |
| Commission fee | 7,000,000,000 | - |
| Provision for long-term investments | 1,530,000 | 260,100,000 |
| Unrealised foreign exchange losses | - | 7,252,245,000 |
| Others | - | 11,280,000 |
| TOTAL | <u>50,821,536,442</u> | <u>11,632,236,111</u> |

26. OTHER INCOME AND EXPENSES

| | VND | |
|--|--|--|
| | <i>For the six-month period ended 30 June 2012</i> | <i>For the six-month period ended 30 June 2011</i> |
| Other income | 653,157,565 | 1,508,508,699 |
| Penalty for cancelation of contracts | 155,914,619 | 1,260,171,408 |
| Others | 497,242,946 | 248,337,291 |
| Other expenses | (4,812,055,015) | (3,440,401,300) |
| Cost of Dam Sen Complex project due to termination | (4,432,583,182) | - |
| Others | (379,471,833) | (3,440,401,300) |
| NET | <u>(4,158,897,450)</u> | <u>(1,931,892,601)</u> |

27. CORPORATE INCOME TAX

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

The Group'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 interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

27.1 Current CIT expense

| | VND | |
|------------------------------------|--|--|
| | <i>For the six-month period ended 30 June 2012</i> | <i>For the six-month period ended 30 June 2011</i> |
| CIT expense for the current period | 91,278,153,241 | 7,656,000,886 |
| TOTAL | <u>91,278,153,241</u> | <u>7,656,000,886</u> |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

27. CORPORATE INCOME TAX (continued)

27.2 Current CIT

The current tax payable is based on taxable profit (loss) for the period. The taxable profit (loss) of the Group for the period differs from the profit as reported in the interim consolidated 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 Group's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Reconciliation between profit before tax and estimated taxable profit are presented below:

| | <i>For the six-month period ended 30 June 2012</i> | | | <i>VND</i> |
|--|--|-------------------------|------------------------|--|
| | <i>Real estate activities</i> | <i>Other activities</i> | <i>Total</i> | <i>For the six-month period ended 30 June 2011</i> |
| Profit (loss) before tax | (156,913,103,581) | 402,963,741,097 | 246,050,637,516 | 30,310,834,289 |
| Adjustments to increase (decrease) accounting profit: | | | | |
| Non-deductible expenses | - | 516,692,874 | 516,692,874 | 333,401,651 |
| Dividend earned | - | (6,165,500) | (6,165,500) | (20,232,400) |
| Accrued interest income | - | (8,730,736,667) | (8,730,736,667) | - |
| Loss in subsidiaries | - | 1,962,942,816 | 1,962,942,816 | - |
| Share of profit in associates | - | (18,583,813,240) | (18,583,813,240) | - |
| Gains from disposal of a subsidiary | - | (5,874,175,804) | (5,874,175,804) | - |
| Inter-company interest income | - | (7,317,241,665) | (7,317,241,665) | - |
| Provision for investment in subsidiary | - | 181,369,053 | 181,369,053 | - |
| Estimated current taxable profit | (156,913,103,581) | 365,112,612,964 | 208,199,509,383 | 30,624,003,540 |
| Estimated current CIT | - | 91,278,153,241 | 91,278,153,241 | 7,656,000,886 |
| CIT payable at the beginning of period | | | 7,934,438,355 | 46,788,583,884 |
| Provisional CIT on cash collection | | | 1,774,169,947 | 530,668,929 |
| CIT paid during the period | | | (7,985,186,285) | (17,683,920,777) |
| CIT payable at the end of period | | | 93,001,575,258 | 37,291,332,922 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

27. CORPORATE INCOME TAX (continued)

27.3 Deferred CIT

The following are the deferred tax liabilities recognized by the Group, and the movements thereon, during the current and prior reporting period:

| | <i>Interim consolidated balance sheet</i> | | <i>Interim consolidated income statement</i> | | VND |
|--|---|-------------------------|--|--|-----|
| | <i>30 June 2012</i> | <i>31 December 2011</i> | <i>For the six-month period ended 30 June 2012</i> | <i>For the six-month period ended 30 June 2011</i> | |
| | | | | | |
| Interest income | (2,182,684,167) | - | (2,182,684,167) | - | |
| | (2,182,684,167) | - | - | - | |
| Net deferred income tax charge to interim consolidated income statement | | | (2,182,684,167) | - | |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

27. CORPORATE INCOME TAX (continued)

27.4 *Unrecognised deferred tax for tax losses carried forward relating to real estate activities*

The Group is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Group had accumulated tax losses of VND 156,913,103,581 (31 December 2011: Nil) available for offset against future taxable profits. Details are as follows:

| <i>Originating period</i> | <i>Amount</i> | | |
|--|------------------------|--|--|
| | <i>Tax loss</i> | <i>Utilised up to 30 June 2012</i> | <i>Unutilised up to 30 June 2012</i> |
| For six-month period ended 30 June 2012 | 156,913,103,581 | - | 156,913,103,581 |
| TOTAL | 156,913,103,581 | - | 156,913,103,581 |

VND

Estimated tax losses as per the Group's CIT declaration have not been audited by the local tax authorities as of the date of these interim consolidated financial statements.

No deferred income tax assets were recognised in respect of the accumulated tax losses of VND 156,913,103,581 because future taxable profit cannot be ascertained at this stage.

28. COMMITMENTS

Operating lease commitments

The Group leases office premises under operating lease arrangements. Future minimum lease payables as at 30 June 2012 were as follows:

| | <i>VND</i> | |
|------------------|---------------------|-------------------------|
| | <i>30 June 2012</i> | <i>31 December 2011</i> |
| Less than 1 year | 431,707,636 | 499,872,000 |
| From 1-5 years | 323,780,727 | 624,840,000 |
| TOTAL | 755,488,363 | 1,124,712,000 |

Capital commitments

As at 30 June 2012, the Group has a commitment of VND 2,748,125,952 (31 December 2011: VND 2,748,125,952) principally related to the development of infrastructure of Le Minh Xuan Industrial Zone.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Risk management is integral to the whole business of the Group. The Group 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 Group'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 30 June 2012 and 31 December 2011.

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 30 June 2012 and 31 December 2011.

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 Group's exposure to market risk for changes in interest rate relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 Group's profit before tax is affected through the impact on floating rate borrowings as follows:

| | <i>Increase/decrease in basis points</i> | <i>VND Effect on profit before tax</i> |
|--|--|--|
| For the six-month period ended 30 June 2012 | | |
| VND | +300 | (13,793,598,598) |
| VND | -300 | 13,793,598,598 |
| For the six-month period ended 30 June 2011 | | |
| VND | +300 | (15,160,037,547) |
| VND | -300 | 15,160,037,547 |

Real estate risk

The Group 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 Group 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 Group 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 Group's credit risk in this respect.

Bank deposits

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Group's management in accordance with the Group's policy. The Group'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 Group evaluates the concentration of credit risk in respect to bank deposit as low.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

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

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

| | | | VND |
|-------------------------------------|--------------------------|------------------------|--------------------------|
| | Less than 1 year | From 1 to 5 years | Total |
| 30 June 2012 | | | |
| Loans and borrowings | 151,610,660,000 | 393,466,619,934 | 545,077,279,934 |
| Trade payables | 78,912,236,288 | - | 78,912,236,288 |
| Other payables and accrued expenses | 368,235,478,922 | 7,650,974,006 | 375,886,452,928 |
| | 598,758,375,210 | 401,117,593,940 | 999,875,969,150 |
| 31 December 2011 | | | |
| Loans and borrowings | 386,674,675,681 | 415,601,129,451 | 802,275,805,132 |
| Trade payables | 93,467,300,657 | - | 93,467,300,657 |
| Other payables and accrued expenses | 683,733,927,430 | 39,582,056,339 | 723,315,983,769 |
| | 1,163,875,903,768 | 455,183,185,790 | 1,619,059,089,558 |

The Group 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 Group has pledged its land use right of projects in order to fulfil the collateral requirements for the long-term loans obtained from banks (Note 20). The Bank has an obligation to return the land use right to the Group. There are no other significant terms and conditions associated with the use of collateral.

The Group did not hold collateral at 30 June 2012 and 31 December 2011.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

30. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

| | <i>Carrying amount</i> | | | | <i>Fair value</i> | | VND |
|---|------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|-----|
| | <i>30 June 2012</i> | | <i>31 December 2011</i> | | <i>30 June 2012</i> | <i>31 December 2011</i> | |
| | <i>Cost</i> | <i>Provision</i> | <i>Cost</i> | <i>Provision</i> | | | |
| Financial assets | | | | | | | |
| Investment designated as financial assets through profit and loss | | | | | | | |
| - <i>Listed shares</i> | 1,435,455,455 | (1,085,705,455) | 1,435,455,455 | (1,137,725,455) | 349,750,000 | 297,730,000 | |
| Short term deposits | 1,149,895,300 | - | 1,438,433,110 | - | 1,149,895,300 | 1,438,433,110 | |
| Trade receivables | 186,018,322,205 | (3,477,101,099) | 196,483,799,842 | (3,638,763,370) | 182,541,221,106 | 192,845,036,472 | |
| Other receivables | 46,035,232,043 | (7,786,000,000) | 30,948,825,618 | (7,786,000,000) | 38,249,232,043 | 23,162,825,618 | |
| Cash and cash equivalents | 504,296,769,929 | - | 295,341,057,104 | - | 504,296,769,929 | 295,341,057,104 | |
| TOTAL | 738,935,674,932 | (12,348,806,554) | 525,647,571,129 | (12,562,488,825) | 726,586,868,378 | 513,085,082,304 | |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

30. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

| | <i>Carrying amount</i> | | <i>Fair value</i> | | VND |
|---------------------------|------------------------------|--------------------------|------------------------|--------------------------|-----|
| | <i>30 June 2012</i> | <i>31 December 2011</i> | <i>30 June 2012</i> | <i>31 December 2011</i> | |
| | Financial liabilities | | | | |
| Loans and borrowings | 545,077,279,934 | 802,275,805,132 | 545,077,279,934 | 802,275,805,132 | |
| Trade payables | 78,912,236,288 | 93,467,300,657 | 78,912,236,288 | 93,467,300,657 | |
| Other current liabilities | 368,235,478,922 | 683,733,927,430 | 368,235,478,922 | 683,733,927,430 | |
| TOTAL | 992,224,995,144 | 1,579,477,033,219 | 992,224,995,144 | 1,579,477,033,219 | |

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 30 June 2012, the carrying amounts of such borrowings, are not materially different from their calculated fair values.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

31. 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 interim consolidated financial statements.



Nguyen Thi Kim Thoa
Accountant in charge



Nguyen Thuy Nhan
General Director

28 August 2012