Binh Chanh Construction Investment Joint Stock Company

Interim separate financial statements

30 June 2012

Ernst & Young

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Binh Chanh Construction Investment Joint Stock Company

CONTENTS

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 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	Vice 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.

REPORT OF MANAGEMENT

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

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

Management is responsible for the interim separate financial statements of each financial period which give a true and fair view of the interim separate state of affairs of the Company and of the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim 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 interim separate financial statements; and
- prepare the interim 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 interim separate financial position of the Company and to ensure that the accounting records comply with the applied 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 interim separate financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2012 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then 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 13.1 of Notes to the interim separate financial statements and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") as at and for the six-month period ended 30 June 2012 to meet the prevailing regulatory reporting requirements.

Users of these interim separate financial statements should read them together with the interim consolidated financial statements of the Group as at and for the six-month period ended 30 June 2012 in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim 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

27 August 2012

ERNST & YOUNG

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Reference: 60933602/15504878

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

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

We have reviewed the interim separate financial statements of Binh Chanh Construction Investment Joint Stock Company ("the Company") as set out on pages 4 to 38 which comprise the interim separate balance sheet as at 30 June 2012, and the interim separate income statement and the interim separate cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim separate financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim separate 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 separate financial statements are free from material misstatement. A review is limited primarily to inquiries of the Company'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 separate financial statements do not give a true and fair view of the interim separate financial position of the Company as at 30 June 2012, and of the interim separate results of its operations and its interim separate 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.

Without qualifying our opinion, we draw attention to Note 2.1 of Notes to the interim separate financial statements, which states that the Company is a parent company with subsidiaries and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") as at and for the six-month period ended 30 June 2012 to meet the prevailing regulatory reporting requirements. Users of these interim separate financial statements should read them together with the interim consolidated financial statements of the Group as at and for the six-month period ended 30 June 2012 in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group as a whole.

S.G.C.N: 411043001833 - Đ.T.N.NG
CÔNG TY
TRÁCH NHIỆM HỮU HẠN
ERNST & YOUNG
VIỆT NAM
QUẬN 1 - TP. HỒ CHÍ MINH

Ernst & Young Vietnam Ltd.
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

27 August 2012

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2012

VND

Code	ASSETS	Notes	30 June 2012	31 December 2011
100	**A. CURRENT ASSETS**		**3,007,806,934,140**	**3,018,451,530,240**
110	***I. Cash and cash equivalents***	***4***	***501,175,001,307***	***289,054,551,350***
111	1. Cash		1,275,001,307	5,499,551,350
112	2. Cash equivalents		499,900,000,000	283,555,000,000
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***		***227,580,216,150***	***254,639,466,901***
131	1. Trade receivables	6	186,018,322,205	195,882,034,842
132	2. Advances to suppliers		10,764,247,001	12,584,274,032
138	3. Other receivables	7	43,410,615,043	58,346,023,397
139	4. Provision for doubtful debts	6, 7	(12,612,968,099)	(12,172,865,370)
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***		***9,190,382,518***	***11,286,580,160***
151	1. Short-term prepaid expenses		-	2,874,000
152	2. Value-added tax deductible		883,039,632	-
154	3. Tax and other receivables from the State		-	63,583,104
158	4. Other current assets		8,307,342,886	11,220,123,056
200	**B. NON-CURRENT ASSETS**		**636,450,226,509**	**884,291,595,259**
220	***I. Fixed assets***		***248,252,709,250***	***250,434,649,337***
221	1. Tangible fixed assets	9	26,581,667,740	29,436,255,525
222	Cost		64,627,708,080	64,493,889,898
223	Accumulated depreciation		(38,046,040,340)	(35,057,634,373)
227	2. Intangible fixed assets	10	430,151,797	541,508,758
228	Cost		1,640,878,376	1,613,378,376
229	Accumulated amortisation		(1,210,726,579)	(1,071,869,618)
230	3. Construction in progress	11	221,240,889,713	220,456,885,054
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***		***286,541,201,806***	***530,457,812,753***
251	1. Investment in subsidiaries	13.1	206,000,000,000	451,000,000,000
252	2. Investments in associates	13.2	81,257,440,060	81,257,440,060
258	3. Other long-term investment	13.3	7,904,904,214	7,054,904,214
259	4. Provision for long-term investments		(8,621,142,468)	(8,854,531,521)
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**		**3,644,257,160,649**	**3,902,743,125,499**

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

VND

Code	*RESOURCES*	*Notes*	*30 June 2012*	*31 December 2011*
300	**A. LIABILITIES**		**1,930,126,381,312**	**2,200,393,158,231**
310	***I. Current liabilities***		***708,594,807,136***	***1,073,882,638,594***
311	1. Short-term loans	15	151,610,660,000	299,174,675,681
312	2. Trade payables		78,912,236,288	93,302,562,457
313	3. Advances from customers		1,162,565,708	1,400,682,992
314	4. Statutory obligations	16	106,068,842,090	15,772,390,371
316	5. Accrued expenses	17	133,188,812,489	138,594,801,393
319	6. Other payables	18	234,886,608,694	523,669,299,032
323	7. Bonus and welfare fund		2,765,081,867	1,968,226,668
330	***II. Non-current liabilities***		***1,221,531,574,176***	***1,126,510,519,637***
333	1. Other long-term liabilities		7,650,974,006	7,593,334,922
334	2. Long-term loans and debts	19	393,466,619,934	386,260,823,451
335	3. Deferred tax liabilities	26.3	2,182,684,167	-
336	4. Provision for severance allowance		1,993,960,167	2,121,731,313
338	5. Unearned revenues	20	816,237,335,902	730,534,629,951
400	**B. OWNERS' EQUITY**		**1,714,130,779,337**	**1,702,349,967,268**
410	***I. Capital***	***21.1***	***1,714,119,322,194***	***1,702,338,510,125***
411	1. Share capital	21.2	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	136,210,275,252
418	4. Financial reserve fund		73,365,408,572	73,365,408,572
419	5. Other funds belonging to owners' equity		12,332,000,000	12,332,000,000
420	6. Undistributed earnings		158,791,580,370	147,010,768,301
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**		**3,644,257,160,649**	**3,902,743,125,499**

Nguyen Thi Kim Thoa
Accountant in charge

CÔNG TY CỔ PHẦN ĐẦU TƯ XÂY DỰNG BÌNH CHÁNH

Nguyen Thuy Nhan
General Director

27 August 2012

INTERIM SEPARATE 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**	22.1	99,734,181,389	108,460,186,772
02	**2. Deductions**	22.1	-	-
10	**3. Net revenue from sale of goods and rendering of services**	22.1	99,734,181,389	108,460,186,772
11	**4. Cost of goods sold and services rendered**	23	(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. Financial income**	22.2	435,363,906,691	8,969,264,563
22	**7. Financial expenses**	24	(50,640,167,389)	(12,589,294,393)
23	*- In which: Interest expense*		*(43,820,006,442)*	*(4,119,891,111)*
24	**8. Selling expenses**		(1,523,012,239)	(2,321,957,696)
25	**9. General and administrative expenses**		(22,918,663,866)	(25,682,519,834)
30	**10. Operating profit**		220,477,263,143	32,186,268,260
31	**11. Other income**	25	486,350,583	1,508,508,699
32	**12. Other expenses**	25	(4,543,895,050)	(3,383,942,670)
40	**13. Other loss**		(4,057,544,467)	(1,875,433,971)
50	**14. Profit before tax**		216,419,718,676	30,310,834,289
51	**15. Current corporate income tax expense**	26.2	(91,278,153,241)	(7,656,000,886)
52	**16. Deferred income tax expense**	26.3	(2,182,684,167)	-
60	**17. Net profit after tax**		122,958,881,268	22,654,833,403

CÔNG TY CỔ PHẦN ĐẦU TƯ XÂY DỰNG BÌNH CHÁNH

Nguyen Thi Kim Thoa
Accountant in charge

Nguyen Thuy Nhan
General Director

27 August 2012

INTERIM SEPARATE 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**		**216,419,718,676**	**30,310,834,289**
	Adjustments for:			
02	Depreciation and amortisation	9, 10, 12	4,628,351,052	6,394,656,794
03	Provisions		78,942,530	1,344,378,158
04	Unrealised foreign exchange losses		-	6,904,170,000
05	Gains from investing activities		(435,357,741,191)	(8,172,050,326)
06	Interest expense	24	43,820,006,442	4,119,891,111
08	**Operating (loss) profit before changes in working capital**		**(170,410,722,491)**	**40,901,880,026**
09	Decrease in receivables		16,945,504,544	25,422,200,979
10	Decrease (increase) in inventories		194,121,939,257	(80,483,270,327)
11	Increase (decrease) in payables		15,692,944,621	(17,148,986,765)
12	Decrease in prepaid expenses		244,603,592	169,633,743
13	Interest paid		(45,078,857,110)	(28,187,178,060)
14	Corporate income tax paid	26.2	(7,985,186,285)	(17,683,920,777)
16	Other cash outflows from operating activities		-	(6,827,849,931)
20	**Net cash flows from (used in) operating activities**		**3,530,226,128**	**(83,837,491,112)**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases and construction of fixed assets		(945,322,841)	(5,022,761,832)
25	Payments for investments in other entities		(850,000,000)	-
26	Proceeds from sale of investments in other entities		300,000,000,000	-
27	Interest and dividends received		51,575,916,068	11,696,545,008
30	**Net cash flows from investing activities**		**349,780,593,227**	**6,673,783,176**
	III. CASH FLOWS FROM FINANCING ACTIVITY			
33	Drawdown of borrowings		16,437,100,000	49,671,204,180
34	Repayment of borrowings		(156,795,319,198)	(36,992,598,608)
36	Dividends paid	21.2	(832,150,200)	(48,671,507,500)
40	**Net cash flows used in financing activities**		**(141,190,369,398)**	**(35,992,901,928)**

INTERIM SEPARATE 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**		**212,120,449,957**	**(113,156,609,864)**
60	**Cash and cash equivalents at beginning of period**		**289,054,551,350**	**169,039,104,727**
70	**Cash and cash equivalents at end of period**	**4**	**501,175,001,307**	**55,882,494,863**

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

27 August 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 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 30 June 2012 was 186 (31 December 2011: 203).

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The interim separate financial statements of the Company, 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 separate balance sheet, interim separate income statement, interim 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 financial position and results of operations and 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 13.1 and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") as at and for the six-month period ended 30 June 2012 to meet the prevailing regulatory reporting requirements.

Users of these separate interim financial statements should read them together with the interim consolidated financial statements of the Group as at and for the six-month period ended 30 June 2012 in order to obtain full information on the interim financial position, results of operations and 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 separate financial statements are prepared in VND which is also the Company's accounting currency.

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 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 interim separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Fixed assets

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

The cost of a tangible or an intangible 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 interim separate income statement as incurred.

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

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 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 interim 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

3.9 *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 interim 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.

3.10 *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 interim 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.

3.11 *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 separate income statement.

3.12 *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.

3.13 *Provision for severance allowance*

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 separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Foreign currency transactions

The Company 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 Company'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 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 ("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 separate income statement.	All unrealised foreign exchange differences are taken to the *"Foreign exchange differences reserve"* account in the equity section of the interim separate 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 separate income statement.	All unrealised foreign exchange gains are taken to the interim separate income statement. All foreign exchange losses will be charged to the interim 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 interim separate 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 separate balance sheet and allocated to the interim separate income statement within the subsequent five years.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3.16 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.

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.

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 or substantively enacted as at the balance sheet date.

Current income tax is charged or credited to the interim 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 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 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 by the same taxation authority on either the same taxable entity or when the Company intends either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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 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 interim 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 interim 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
	30 June 2012	*31 December 2011*
Cash on hand	63,307,314	120,608,880
Cash in banks	1,211,693,993	5,378,942,470
Cash equivalents	499,900,000,000	283,555,000,000
TOTAL	**501,175,001,307**	**289,054,551,350**

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.

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	195,882,034,842
TOTAL	**186,018,322,205**	**195,882,034,842**
Provision for doubtful debts	(3,477,101,099)	(3,036,998,370)
NET	**182,541,221,106**	**192,845,036,472**

7. OTHER RECEIVABLES

VND

	30 June 2012	*31 December 2011*
Advances for development of projects	13,297,540,778	14,709,675,766
Receivable from related parties	-	32,135,952,779
Provisional corporate income tax (*)	11,778,670,723	10,004,500,776
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	-
Others	21,348,273	245,876,740
TOTAL	**43,410,615,043**	**58,346,023,397**
Provision for doubtful debts	(9,135,867,000)	(9,135,867,000)
NET	**34,274,748,043**	**49,210,156,397**

(*) 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.

8. INVENTORIES

VND

	30 June 2012	*31 December 2011*
Inventory properties in progress (*)	2,261,639,318,252	2,454,960,378,106
Merchandise goods	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 19)*.

9. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	*Machinery and equipment*	*Motor vehicles*	*Office equipment*	*Total*
Cost:					
As at 31 December 2011	19,572,680,181	29,603,292,674	10,915,870,814	4,402,046,229	64,493,889,898
Newly purchased	-	99,000,000	-	34,818,182	133,818,182
As at 30 June 2012	19,572,680,181	29,702,292,674	10,915,870,814	4,436,864,411	64,627,708,080
In which: *Fully depreciated*	*835,671,554*	*942,260,395*	*1,063,755,674*	*3,097,476,477*	*5,939,164,100*
Accumulated depreciation:					
As at 31 December 2011	(5,236,272,555)	(20,785,355,370)	(5,494,325,700)	(3,541,680,748)	(35,057,634,373)
Depreciation for the period	(526,573,554)	(1,535,010,717)	(683,058,569)	(243,763,127)	(2,988,405,967)
As at 30 June 2012	(5,762,846,109)	(22,320,366,087)	(6,177,384,269)	(3,785,443,875)	(38,046,040,340)
Net carrying amount:					
As at 31 December 2011	14,336,407,626	8,817,937,304	5,421,545,114	860,365,481	29,436,255,525
As at 30 June 2012	13,809,834,072	7,381,926,587	4,738,486,545	651,420,536	26,581,667,740

10. INTANGIBLE FIXED ASSETS

VND

	ISO Certificate	*Computer software*	*Total*
Cost:			
As at 31 December 2011	331,744,151	1,281,634,225	1,613,378,376
Newly purchased	-	27,500,000	27,500,000
As at 30 June 2012	331,744,151	1,309,134,225	1,640,878,376
In which:			
Fully amortised	*331,744,151*	*448,645,225*	*780,389,376*
Accumulated amortisation:			
As at 31 December 2011	(331,744,151)	(740,125,467)	(1,071,869,618)
Amortisation for the period	-	(138,856,961)	(138,856,961)
As at 30 June 2012	(331,744,151)	(878,982,428)	(1,210,726,579)
Net carrying amount:			
As at 31 December 2011	-	541,508,758	541,508,758
As at 30 June 2012	-	430,151,797	430,151,797

11. CONSTRUCTION IN PROGRESS

VND

	30 June 2012	*31 December 2011*
Le Minh Xuan Industrial Zone	220,753,992,236	219,967,687,577
Others	486,897,477	489,197,477
TOTAL	**221,240,889,713**	**220,456,885,054**

12. INVESTMENT PROPERTIES

	Factories	*Infrastructure*	*VND* *Total*
Cost:			
As at 31 December 2011 and as at 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	(5,442,695,806)	(42,629,924,366)	(48,072,620,172)
Net carrying amount:			
As at 31 December 2011	1,766,607,741	101,233,587,053	103,000,194,794
As at 30 June 2012	1,703,514,607	99,795,592,063	101,499,106,670

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 Investment in subsidiaries

	30 June 2012		*31 December 2011*	
	VND	*% of interest*	*VND*	*% of interest*
Phong Phu Industrial Park Joint Stock Company	-	-	245,000,000,000	70
BCI Corporation	206,000,000,000	69	206,000,000,000	69
TOTAL	**206,000,000,000**		**451,000,000,000**	
Provision for long-term investments	(6,099,188,254)		(6,280,557,307)	
NET AMOUNT	**199,900,811,746**		**444,719,442,693**	

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.

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 with the proceeds of VND 607,399,028,450 and has a gain of VND 362,399,028,450 *(Note 22.2)*. 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.

13. INVESTMENTS (continued)

13.1 *Investment in subsidiaries* (continued)

BCI 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 Chanh District, Ho Chi Minh City, Vietnam. BCI's principal activities are to invest and trade real estates.

13.2 *Investments in associates*

	30 June 2012		*31 December 2011*	
	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	57,197,127,688	20
Green Buildings Company Limited	20,060,312,372	20	20,060,312,372	20
TOTAL	**81,257,440,060**		**81,257,440,060**	

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.

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. INVESTMENTS (continued)

13.3 Other long-term investments

VND

	30 June 2012		*31 December 2011*	
	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		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**

14. CAPITALISED BORROWING COST

During the period, the Company capitalized interest expenses of VND 800,879,403 (for the six-month period ended 30 June 2011: VND 27,716,076,671). These costs were relating to borrowings to finance for construction and development of Phong Phu 4 Residential project.

15. SHORT-TERM LOANS

VND

	30 June 2012	*31 December 2011*
Loans from banks	-	99,500,000,000
Current portion of long-term loans and debts (*Note 19*)	151,610,660,000	199,674,675,681
TOTAL	**151,610,660,000**	**299,174,675,681**

16. STATUTORY OBLIGATIONS

VND

	30 June 2012	*31 December 2011*
Corporate income tax *(Note 26.2)*	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	8,945,991	-
TOTAL	**106,068,842,090**	**15,772,390,371**

17. ACCRUED EXPENSES

	30 June 2012	31 December 2011
		VND
Project costs	110,846,811,147	115,731,858,513
Loan interest	21,769,640,566	22,227,611,831
Other	572,360,776	635,331,049
TOTAL	**133,188,812,489**	**138,594,801,393**

18. OTHER PAYABLES

	30 June 2012	31 December 2011
		VND
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	8,200,234,939	7,663,970,827
Commission fee	7,000,000,000	-
Advance received for transferring ownership interest in Phong Phu	-	400,000,000,000
Others	13,644,414,068	15,781,372,437
TOTAL	**234,886,608,694**	**523,669,299,032**

19. LONG-TERM LOANS AND DEBTS

	30 June 2012	31 December 2011
		VND
Loans from banks (i)	151,154,704,934	175,321,910,967
Loans from other entities (ii)	8,631,915,000	25,322,928,165
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**	**585,935,499,132**
In which		
Current portion (Note 15)	*151,610,660,000*	*199,674,675,681*
Non-current portion	*393,466,619,934*	*386,260,823,451*

19. LONG-TERM LOANS AND DEBTS (continued)

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

Banks	*30 June 2012 VND*	*Principal repayment term*	*Purpose*	*Interest rate*	*Description of collateral*
Military Commercial Joint Stock Bank - Cho Lon Branch					
Loan agreement No. 331.09.701.479633.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
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	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
In which:					
Current portion	*6,600,000,000*				
TOTAL	**151,154,704,934**				
In which:					
Current portion	*64,600,000,000*				
Non-current portion	*86,554,704,934*				

(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
In which:					
Current portion	*1,720,000,000*				
TOTAL	**8,631,915,000**				
In which:					
Current portion	*1,720,000,000*				
Non-current portion	*6,911,915,000*				

19. LONG-TERM LOANS AND DEBTS (continued)

(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 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 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 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 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 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 Company 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 Company.

20. UNEARNED REVENUES

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

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

21. OWNERS' EQUITY

21.1 Movements in owners' equity

VND

	Share capital	*Share premium*	*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	247,759,619,543	1,712,687,361,367
Net profit for the period	-	-	-	-	-	22,654,833,403	22,654,833,403
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	722,670,000,000	610,750,058,000	136,210,275,252	73,365,408,572	12,332,000,000	104,617,452,946	1,659,945,194,770
For the six-month period ended 30 June 2012							
As at 31 December 2011	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
Net profit for the period	-	-	-	-	-	122,958,881,268	122,958,881,268
Transfer to bonus and welfare fund	-	-	-	-	-	(2,777,569,199)	(2,777,569,199)
Dividends declared	-	-	-	-	-	(108,400,500,000)	(108,400,500,000)
As at 30 June 2012	722,670,000,000	610,750,058,000	136,210,275,252	73,365,408,572	12,332,000,000	158,791,580,370	1,714,119,322,194

21. OWNERS' EQUITY (continued)

21.2 *Capital transactions with owners and distribution of dividends*

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

21.3 *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		
Ordinary shares	72,267,000	72,267,000
Shares in circulation		
Ordinary shares	72,267,000	72,267,000

22. REVENUE

22.1 *Revenue from sale of goods and rendering of services*

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

22. REVENUE (continued)

22.2 *Financial income*

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
		VND
Gains on disposal of investment in Phong Phu Industrial Park Joint Stock Company *(Note 13.1)*	362,399,028,450	-
Interest income	59,502,597,431	8,600,957,163
Late payment interest	13,402,565,310	-
Reversal provision for long-term investments	53,550,000	-
Dividends earned	6,165,500	20,232,400
Unrealised foreign exchange gains	-	348,075,000
TOTAL	**435,363,906,691**	**8,969,264,563**

23. COSTS OF GOODS SOLD AND SERVICE RENDERED

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

24. FINANCIAL EXPENSES

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
		VND
Loan interest	43,820,006,442	4,119,891,111
Commission fee	7,000,000,000	-
(Reversal) provision for long-term investments	(179,839,053)	1,217,158,282
Unrealised foreign exchange losses	-	7,252,245,000
TOTAL	**50,640,167,389**	**12,589,294,393**

25. OTHER INCOME AND EXPENSES

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
		VND
Other income	**486,350,583**	**1,508,508,699**
Penalty for cancelation of contracts	155,914,619	1,260,171,408
Others	330,435,964	248,337,291
Other expenses	**(4,543,895,050)**	**(3,383,942,670)**
Costs of Dam Sen Complex project due to termination	(4,432,583,182)	-
Others	(111,311,868)	(3,383,942,670)
NET	**(4,057,544,467)**	**(1,875,433,971)**

26. 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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

26.1 Current CIT expense

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
		VND
CIT expense for the current period	91,278,153,241	7,656,000,886
TOTAL	**91,278,153,241**	**7,656,000,886**

26.2 Current CIT expense

The current tax payable is based on taxable profit (loss) for the period. The taxable profit (loss) of the Company for the period differs from the profit as reported in the interim 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.

26. CORPORATE INCOME TAX (continued)

26.2 *Current CIT* (continued)

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

VND

	For the six-month period ended 30 June 2012			*For the six-month period ended 30 June 2011*
	Real estate activities	*Other activities*	*Total*	
Profit (loss) before tax	**(156,913,103,581)**	**373,332,822,257**	**216,419,718,676**	**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)	-
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 payables 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**

26. CORPORATE INCOME TAX (continued)

26.3 Deferred CIT

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

VND

	Interim separate balance sheet		*Interim separate income statement*	
	30 June 2012	*31 December 2011*	*For the six-month period ended 30 June 2012*	*For the six-month period ended 30 June 2011*
Interest income	(2,182,684,167)	-	(2,182,684,167)	-
	(2,182,684,167)	**-**		
Net deferred income tax charge to interim separate income statement			**(2,182,684,167)**	**-**

26. CORPORATE INCOME TAX (continued)

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

The Company 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 Company 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:

VND

	Amount		
Originating period	*Tax loss*	*Utilised up to 30 June 2012*	*Unutilised up to 30 June 2012*
Six-month period ended 30 June 2012	156,913,103,581	-	156,913,103,581
TOTAL	**156,913,103,581**	**-**	**156,913,103,581**

Estimated tax losses as per the Company's CIT declaration have not been audited by the local tax authorities as of the date of these interim separate 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.

27. COMMITMENTS AND CONTINGENCIES

Operating lease commitment

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

VND

	30 June 2012	*31 December 2011*
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 Company 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.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company'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 Company's property portfolio. The Company has loan receivable, trade and other receivables, trade and other payable and 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 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 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.

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

		VND
	Increase/decrease in basis points	*Effect on profit before tax*
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	(7,780,850,409)
VND	-300	7,780,850,409

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 property inventory

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. Investments of surplus funds are made only with approved counterparties.

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.

28. 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 maintain 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*
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	368,075,421,183	-	368,075,421,183
	598,598,317,471	**393,466,619,934**	**992,064,937,405**
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**

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 in order to fulfil the collateral requirements for the long term loan obtained from banks (Note 19). The Bank has an obligation to return the land use right to the Company. There are no other significant terms and conditions associated with the use of collateral.

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

29. 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 interim separate financial statements.

VND

	Carrying amount				*Fair value*	
	30 June 2012		*31 December 2011*		*30 June 2012*	*31 December 2011*
	Cost	*Provision*	*Cost*	*Provision*		
Financial assets						
Investment designated as financial assets through profit and loss						
- Listed shares	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)	195,882,034,842	(3,036,998,370)	182,541,221,106	192,845,036,472
Receivable from related parties	-	-	32,135,952,779	-	-	32,135,952,779
Other receivables	43,410,615,043	(7,786,000,000)	26,210,070,618	(7,786,000,000)	35,624,615,043	18,424,070,618
Cash and cash equivalents	501,175,001,307	-	289,054,551,350	-	501,175,001,307	289,054,551,350
TOTAL	**733,189,289,310**	**(12,348,806,554)**	**546,156,498,154**	**(11,960,723,825)**	**720,840,482,756**	**534,195,774,329**

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

VND

	Carrying amount		*Fair value*	
	30 June 2012	*31 December 2011*	*30 June 2012*	*31 December 2011*
Financial liabilities				
Loans and borrowings	545,077,279,934	685,435,499,132	545,077,279,934	685,435,499,132
Payable to related parties	-	53,948,000	-	53,948,000
Trade payables	78,912,236,288	93,302,562,457	78,912,236,288	93,302,562,457
Other current liabilities	368,075,421,183	662,210,152,425	368,075,421,183	662,210,152,425
TOTAL	**992,064,937,405**	**1,441,002,162,014**	**992,064,937,405**	**1,441,002,162,014**

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.

30. 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 separate financial statements.

Nguyen Thi Kim Thoa Accountant in charge	Nguyen Thuy Nhan General Director

27 August 2012