



Investment and Trading of Real Estate Joint Stock Company

Interim separate financial statements

30 June 2012

Ernst & Young

 **ERNST & YOUNG**

Investment and Trading of Real Estate Joint Stock Company

CONTENTS

	<i>Pages</i>
General information	1
Report of management	2
Report on review of interim separate financial statements	3
Interim separate balance sheet	4 - 5
Interim separate income statement	6
Interim separate cash flow statement	7 - 8
Notes to the interim separate financial statements	9 - 42

Investment and Trading of Real Estate Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company established in Vietnam in accordance with Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange in accordance with Decision No. 115/QĐ-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The Company's principal activities are to invest and trade real estate properties and related services; to execute civil construction works and industrial projects and interior decoration; to construct infrastructure of urban areas and industrial parks, site levelling, bridges and roads and water drainage system; to invest in construction of public projects, tourist and entertainment areas; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Company's registered office is located at 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, 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 Thuc Quang	Chairman
Mr. Truong Minh Thuan	Member
Mr. Le Tuan	Member
Ms. Duong Thanh Thuy	Member
Ms. Le Thi Khanh Xuong	Member

BOARD OF SUPERVISION

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

Ms. Pham Thi Anh Trang	Head of the Board of Supervision	resigned on 26 April 2012
Ms. Pham Thi Hong Lien	Head of the Board of Supervision	appointed on 9 July 2012
Ms. Nguyen Thi Lang	Member	
Mr. Le Quang Son	Member	appointed on 26 April 2012

MANAGEMENT

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

Mr. Truong Minh Thuan	General Director
Mr. Nguyen Ba Dai	Deputy General Director
Mr. Le Van Truong	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Truong Minh Thuan.

AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited.

Reference: 60792124/15503258

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders of Investment and Trading of Real Estate Joint Stock Company

We have reviewed the interim separate financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") as set out on pages 4 to 42 which comprise the interim separate balance sheet as at 30 June 2012, 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 report, we draw attention to Note 2.1 of the interim separate financial statements, which states that the Company is the parent company of the subsidiary and that the interim consolidated financial statements of the Company and its subsidiary ("the Group") prepared in accordance with the Vietnamese Accounting Standards and System and complied with the relevant statutory requirements have been issued separately. We have reviewed the interim consolidated financial statements of the Group as at 30 June 2012 and for the six-month period then ended and expressed a unqualified opinion thereon in our report dated 27 August 2012.



Ernst & Young Vietnam Limited



Narciso T. Torres Jr.
Deputy General Director
Certificate No. N.0868/KTV



Bui Xuan Vinh
Auditor
Certificate No. 0842/KTV

Ho Chi Minh City, Vietnam

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2012

VND

Code	ASSETS	Notes	30 June 2012	31 December 2011
100	A. CURRENT ASSETS		2,238,560,593,663	2,203,106,595,608
110	I. Cash and cash equivalents	4	19,909,342,447	15,898,380,006
111	1. Cash		19,909,342,447	7,898,380,006
112	2. Cash equivalents		-	8,000,000,000
130	II. Current accounts receivable		402,457,627,664	463,616,736,623
131	1. Trade receivables	5	146,308,781,936	203,671,204,622
132	2. Advances to suppliers	6	203,709,516,842	202,125,150,889
135	3. Other receivables	7	56,556,081,755	61,937,133,981
139	4. Provision for doubtful debts		(4,116,752,869)	(4,116,752,869)
140	III. Inventories	8	1,812,982,294,512	1,723,242,282,838
141	1. Inventories		1,895,878,251,254	1,834,827,911,960
149	2. Provision for obsolete inventories		(82,895,956,742)	(111,585,629,122)
150	IV. Other current asset		3,211,329,040	349,196,141
158	1. Other current assets		3,211,329,040	349,196,141
200	B. NON-CURRENT ASSETS		537,755,226,950	568,484,603,110
220	I. Fixed assets		48,520,995,119	50,014,475,004
221	1. Tangible fixed assets	9	48,516,941,881	50,006,368,526
222	Cost		65,544,794,177	65,876,226,324
223	Accumulated depreciation		(17,027,852,296)	(15,869,857,798)
227	2. Intangible fixed assets	10	4,053,238	8,106,478
228	Cost		37,700,000	37,700,000
229	Accumulated amortisation		(33,646,762)	(29,593,522)
240	II. Investment properties	11	100,983,730,561	103,194,563,425
241	1. Cost		110,541,642,390	110,541,642,390
242	2. Accumulated depreciation		(9,557,911,829)	(7,347,078,965)
250	III. Long-term investments	12	366,630,580,986	386,418,280,986
251	1. Investments in a subsidiary	12.1	34,000,000,000	34,000,000,000
252	2. Investments in associates	12.2	268,448,938,645	277,248,938,645
258	3. Other long-term investments	12.3	81,901,500,000	102,046,200,000
259	4. Provision for long-term investments		(17,719,857,659)	(26,876,857,659)
260	IV. Other long-term assets		21,619,920,284	28,857,283,695
261	1. Long-term prepaid expenses		2,041,950,281	2,106,895,597
262	2. Deferred tax assets	26.2	19,515,970,003	26,688,388,098
268	3. Other long-term assets		62,000,000	62,000,000
270	TOTAL ASSETS		2,776,315,820,613	2,771,591,198,718

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

VND

Code	RESOURCES	Notes	30 June 2012	31 December 2011
300	A. LIABILITIES		1,001,610,614,203	971,187,109,210
310	I. Current liabilities		745,394,578,388	792,579,199,494
311	1. Short-term loans and borrowings	14	205,170,426,943	231,545,297,880
312	2. Trade payables	15	50,768,351,436	67,405,792,830
313	3. Advances from customers	16	322,127,141,509	320,904,875,240
314	4. Statutory obligations	17	81,762,134,647	85,183,242,584
315	5. Payables to employees		34,657,845	113,434,000
316	6. Accrued expenses	18	11,459,778,474	13,435,400,491
319	7. Other payables	19	64,309,649,604	63,373,917,816
320	8. Short-term provision		1,990,924,728	3,111,660,282
338	9. Unearned revenue		7,260,423,776	6,769,444,245
323	10. Bonus and welfare fund		511,089,426	736,134,126
330	II. Non-current liabilities		256,216,035,815	178,607,909,716
333	1. Other long-term liabilities		2,417,602,323	1,955,315,591
334	2. Long-term loans and debts	20	250,326,208,492	173,684,000,000
336	3. Provision for severance allowance		3,472,225,000	2,968,594,125
400	B. OWNERS' EQUITY		1,774,705,206,410	1,800,404,089,508
410	I. Capital	21.1	1,774,705,206,410	1,800,404,089,508
411	1. Share capital		690,866,880,000	690,866,880,000
412	2. Share premium		974,114,436,600	974,114,436,600
414	3. Treasury shares		(9,825,117,611)	(9,825,117,611)
417	4. Investment and development fund		30,640,486,547	30,640,486,547
418	5. Financial reserve fund		26,559,466,833	26,559,466,833
420	6. Undistributed earnings		62,349,054,041	88,047,937,139
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,776,315,820,613	2,771,591,198,718


Doan Huu Chi
Chief AccountantTrương Minh Thuận
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	46,588,660,555	56,542,105,415
02	2. Deductions		-	-
10	3. Net revenue from sale of goods and rendering of services	22.1	46,588,660,555	56,542,105,415
11	4. Cost of goods sold and services rendered	23	(14,832,775,711)	(69,623,110,441)
20	5. Gross profit (loss) from sale of goods and rendering of services		31,755,884,844	(13,081,005,026)
21	6. Financial income	22.2	22,800,984,853	6,009,880,660
22	7. Financial expenses	24	(22,762,363,483)	(35,534,310,062)
23	In which: Interest expense		(23,087,562,233)	(10,086,489,161)
24	8. Selling expenses		(398,659,806)	(180,845,598)
25	9. General and administration expenses		(12,196,135,682)	(11,539,167,951)
30	10. Operating profit (loss)		19,199,710,726	(54,325,447,977)
31	11. Other income	25	487,451,945	5,407,007,795
32	12. Other expenses	25	(3,890,463,674)	(179,507,118)
40	13. Other (loss) profit	25	(3,403,011,729)	5,227,500,677
50	14. Profit (loss) before tax		15,796,698,997	(49,097,947,300)
51	15. Current corporate income tax expense	26.1	-	-
52	16. Deferred income tax (expense) income	26.2	(7,172,418,095)	6,155,655,012
60	17. Net profit (loss) after tax		8,624,280,902	(42,942,292,288)


Doan Huu Chi
Chief Accountant


Trương Minh Thuận
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 (loss) before tax		15,796,698,997	(49,097,947,300)
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	9,10,11	3,734,759,158	3,875,809,166
03	Provisions		(28,543,041,505)	43,061,836,085
05	Profits from investing activities		(22,978,204,171)	(5,978,348,091)
06	Interest expense	24	23,087,562,233	10,086,489,161
08	Operating (loss) profit before changes in working capital		(8,902,225,288)	1,947,839,021
09	Decrease in receivables		93,693,987,155	159,211,867,082
10	Increase in inventories		(61,050,339,294)	(291,206,223,836)
11	(Decrease) increase in payables		(26,853,456,356)	74,108,306,944
12	Decrease in prepaid expenses		64,945,316	68,970,162
13	Interest paid		(22,094,637,240)	(8,471,840,897)
14	Corporate income tax paid	26.1	(1,659,350,169)	(11,000,000,000)
16	Other cash outflows from operating activities		(1,000,020,000)	(4,968,141,085)
20	Net cash used in operating activities		(27,801,095,876)	(80,309,222,609)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets	9	(64,408,909)	(158,661,420)
22	Proceeds from disposals of fixed assets	25	211,181,818	-
26	Proceeds from sale of investments in other entities		14,169,397,000	-
27	Interest and dividend received		1,551,714,853	5,978,348,091
30	Net cash flows from investing activities		15,867,884,762	5,819,686,671

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
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Capital redemption	21.1	-	(9,825,117,611)
33	Drawdown of borrowings		81,776,198,284	152,021,901,157
34	Repayment of borrowings		(31,508,860,729)	(73,464,918,135)
36	Dividends paid		(34,323,164,000)	-
40	Net cash flows from financing activities		15,944,173,555	68,731,865,411
50	Net increase (decrease) in cash and cash equivalents		4,010,962,441	(5,757,670,527)
60	Cash and cash equivalents at beginning of the period	4	15,898,380,006	64,936,167,182
70	Cash at end of the period	4	19,909,342,447	59,178,496,655


Doan Huu Chi
Chief Accountant


Trương Minh Thuận
General Director

27 August 2012

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at 30 June 2012 and for the six-month period then ended

1. CORPORATE INFORMATION

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company established in Vietnam in accordance with Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange in accordance with Decision No. 115/QĐ-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The Company's principal activities are to invest and trade real estate properties and related services; to execute civil construction works and industrial projects and interior decoration; to construct infrastructure of urban areas and industrial parks, site levelling, bridges and roads and water drainage system; to invest in construction of public projects, tourist and entertainment areas; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Company's registered office is located at 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 30 June 2012 was 141 (31 December 2011: 152).

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 ("VAS") issued by the Ministry of Finance as per:

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

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 subsidiary listed in note 12.1 (together known as "the Group") and the interim consolidated financial statements of the Group prepared in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements have been issued separately.

Users of these interim separate financial statements should read them together with the interim consolidated financial statements of the Group as at 30 June 2012 and for the six-month period then ended 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.

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

2. BASIS OF PREPARATION (continued)

2.2 Applied accounting documentation system

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprise cash on hand and cash in banks.

3.2 Inventories

Inventory properties

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 costs
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads 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 separate 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 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.

Other inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

- | | |
|-----------------|---|
| Raw materials | - cost of purchase on a weighted average basis. |
| Work-in-process | - cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity. |

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories (continued)

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the interim separate balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the interim separate income statement.

3.3 Receivables

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

The provision for doubtful debts represents the estimated loss due to non-collection of receivables that were outstanding at the interim balance sheet date. Increases and decreases to the provision balance are recorded as general and administration expense in the interim separate income statement.

3.4 Fixed assets

Tangible and intangible 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 tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are capitalised and expenditures for maintenance and repairs are charged to the interim separate income statement as incurred.

When fixed assets are sold or retired, their cost and accumulated depreciation or amortization 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 and amortisation of tangible and intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	10 – 25 years
Machinery and equipment	2 – 10 years
Motor vehicles	5 – 10 years
Office equipment	3 – 5 years
Computer software	3 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Land use rights	25 – 50 years
Buildings	25 – 50 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.

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 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 Investment in a subsidiary

Investments in a subsidiary over which the Company has control are carried at cost. Distributions from accumulated net profits of the subsidiary 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Provision is made for any loss-making operations of the associates at the interim balance sheet date representing the excess of the acquisition cost over the collectible investment 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 expenses in the interim separate income statement.

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 interim separate 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 expenses 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 Accrual for severance pay

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

3.14 Provisions

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

3.15 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Appropriation of net profit*

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' 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' benefits.

3.17 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Construction contract

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed and certified by customers at interim the balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

Rental income

Rental income receivable under operating leases is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Premiums received to terminate leases are recognized in the interim separate income statement when they arise.

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue recognition (continued)

Interest

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

Dividends

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

3.18 Taxation

Current income tax

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

Deferred tax is provided using the balance sheet liability method on temporary differences at the interim separate balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

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 interim separate 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 on the same taxable entity by the same taxation authority.

The carrying amount of deferred income tax assets is reviewed at each interim 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 interim balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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 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 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.

Subsequent re-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.

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

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2012	31 December 2011
Cash on hand	7,487,868,386	1,538,150,121
Cash in banks	12,421,474,061	6,360,229,885
Cash equivalents	-	8,000,000,000
TOTAL	19,909,342,447	15,898,380,006

5. TRADE RECEIVABLES

	VND	
	30 June 2012	31 December 2011
Receivables from sales of land lots and apartments (*)	111,200,061,108	166,029,789,865
Receivables from providing of construction services	17,390,570,390	17,318,506,720
Others	17,718,150,438	20,322,908,037
TOTAL	146,308,781,936	203,671,204,622
Provision for doubtful debts	(4,116,752,869)	(4,116,752,869)
NET	142,192,029,067	199,554,451,753

(*) Receivables from sales of land lots and apartments mainly represent the remaining 5% - 10% of the contract price pending the completion of the legal procedure to hand over houses and land use rights to the customers. Details by projects are as follows:

	VND	
	30 June 2012	31 December 2011
An Khang building	40,889,711,507	63,926,156,062
6B Project	40,969,331,131	41,271,767,131
Thinh Vuong building	18,102,178,553	44,351,264,035
Binh Hoa Project	4,317,527,772	6,278,370,492
Phong Phu Project	5,223,024,600	8,503,944,600
An Cu building	1,698,287,545	1,698,287,545
TOTAL	111,200,061,108	166,029,789,865

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

6. ADVANCES TO SUPPLIERS

Advances to suppliers represent non-interest bearing advances to sub-contractors related to the following real estate projects:

	VND	
	30 June 2012	31 December 2011
6B Project	47,000,000,000	47,000,000,000
Binh Trung Dong Project	43,795,000,000	43,795,000,000
Lot E4 An Phu, An Khanh Project	27,505,000,000	27,505,000,000
Long Binh Ward – District 9 Project	19,899,197,600	19,899,197,600
Minh Khai Street – Ha Noi Project	12,000,000,000	12,000,000,000
Nhon Duc Commune, Nha Be District Project	10,000,000,000	10,000,000,000
Related party (Note 27)	1,795,513,406	3,185,399,100
Others	41,714,805,836	38,740,554,189
TOTAL	203,709,516,842	202,125,150,889

7. OTHER RECEIVABLES

	VND	
	30 June 2012	31 December 2011
Advance for land compensation	28,739,761,311	34,239,761,311
Advance for Dak Nong project	20,000,000,000	20,000,000,000
Receivable from a related party (Note 27)	1,592,901,607	1,592,901,607
Others	6,223,418,837	6,104,471,063
TOTAL	56,556,081,755	61,937,133,981

8. INVENTORIES

	VND	
	30 June 2012	31 December 2011
Properties for sales	15,320,290,653	18,490,724,765
Real estate properties and construction projects in process (*)	1,880,557,960,601	1,816,337,187,195
TOTAL	1,895,878,251,254	1,834,827,911,960
Provision for obsolete inventories	(82,895,956,742)	(111,585,629,122)
NET	1,812,982,294,512	1,723,242,282,838

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

8. INVENTORIES (continued)

(*) Real estate properties and construction projects in process included costs incurred for the following on-going real estate and construction projects:

	VND	
	30 June 2012	31 December 2011
Long Thoi - Nha Be Project (*)	725,034,729,519	632,025,863,632
146 Nguyen Van Troi, Phu Nhuan Project (**)	535,520,886,738	529,961,279,721
106 Ly Chinh Thang Project (***)	207,237,897,454	207,153,701,933
Long Phuoc, District 9 Project	123,945,615,679	150,662,450,479
6A Project	125,171,184,160	124,766,939,313
6B Project	71,880,032,956	71,298,803,865
Tang Nhon Phu Project	41,885,183,288	41,372,261,834
Others	49,882,430,807	59,095,886,418
TOTAL	1,880,557,960,601	1,816,337,187,195

(*) Land use right of 24,047 square meters on total land of 484,814 square meters at Long Thoi - Nha Be Project was pledged to obtain the loan from Gia Dinh Development Investment Corporation (Note 14).

(**) Land use right at No. 146 Nguyen Van Troi Street, Phu Nhuan District and 223 Hoang Van Thu street, Phu Nhuan District were pledged to obtain the loan from Saigon Commercial Joint Stock Bank - District 4 branch (Note 20).

(***) Land use right at No. 106 Ly Chinh Thang Street, District 3 was pledged to obtain the loan from Bank of Investment and Development of Vietnam (Note 14 and 20).

Details of movements of provision for obsolete inventories are as follows:

	VND	
	For the six-month period ended 30 June 2012	For the six-month period ended 30 June 2011
Provision for obsolete inventories at beginning of period	111,585,629,122	13,657,432,253
Add: Provision created during the period	-	24,439,962,641
Less: Reversal of provision during the period	(28,689,672,380)	-
Provision for obsolete inventories at end of period	82,895,956,742	38,097,394,894

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

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	56,756,951,958	437,095,156	5,926,061,185	2,756,118,025	65,876,226,324
Newly purchased	-	-	-	64,408,909	64,408,909
Disposal	-	(46,312,500)	(349,528,556)	-	(395,841,056)
As at 30 June 2012	56,756,951,958	390,782,656	5,576,532,629	2,820,526,934	65,544,794,177
Accumulated depreciation:					
As at 31 December 2011	10,418,218,184	319,995,412	2,848,062,111	2,283,582,091	15,869,857,798
Depreciation for the period	1,131,761,592	13,718,720	238,439,166	135,953,576	1,519,873,054
Disposal	-	(12,350,000)	(349,528,556)	-	(361,878,556)
As at 30 June 2012	11,549,979,776	321,364,132	2,736,972,721	2,419,535,667	17,027,852,296
Net carrying amount:					
As at 31 December 2011	46,338,733,774	117,099,744	3,077,999,074	472,535,934	50,006,368,526
As at 30 June 2012	45,206,972,182	69,418,524	2,839,559,908	400,991,267	48,516,941,881

(*) Included in Buildings and structures is land use right at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1 with carrying value of VND 27,080,017,538 which was pledged to obtain the short-term loan from Lien Viet Post Bank (Note 14).

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

10. INTANGIBLE FIXED ASSET

VND

*Computer software***Cost:**

As at 31 December 2011 and 30 June 2012	<u>37,700,000</u>
---	-------------------

Accumulated amortization:

As at 31 December 2011	29,593,522
------------------------	------------

Amortization for the period	<u>4,053,240</u>
-----------------------------	------------------

As at 30 June 2012	<u>33,646,762</u>
--------------------	-------------------

Net carrying amount:

As at 31 December 2011	<u>8,106,478</u>
------------------------	------------------

As at 30 June 2012	<u>4,053,238</u>
--------------------	------------------

11. INVESTMENT PROPERTIES

VND

*Buildings**Houses**Total***Cost:**

As at 31 December 2011 and 30 June 2012	<u>97,781,182,124</u>	<u>12,760,460,266</u>	<u>110,541,642,390</u>
---	-----------------------	-----------------------	------------------------

Accumulated depreciation:

As at 31 December 2011	6,198,637,540	1,148,441,425	7,347,078,965
------------------------	---------------	---------------	---------------

Depreciation for the period	<u>1,955,623,656</u>	<u>255,209,208</u>	<u>2,210,832,864</u>
-----------------------------	----------------------	--------------------	----------------------

As at 30 June 2012	<u>8,154,261,196</u>	<u>1,403,650,633</u>	<u>9,557,911,829</u>
--------------------	----------------------	----------------------	----------------------

Net carrying amount:

As at 31 December 2011	<u>91,582,544,584</u>	<u>11,612,018,841</u>	<u>103,194,563,425</u>
------------------------	-----------------------	-----------------------	------------------------

As at 30 June 2012	<u>89,626,920,928</u>	<u>11,356,809,633</u>	<u>100,983,730,561</u>
--------------------	-----------------------	-----------------------	------------------------

Included in Houses is the land use right at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1 which was pledged to obtain short-term loan from Vietnam Bank for Agriculture and Rural Development (Note 14).

The fair value of the investment properties had not yet been formally assessed and determined as at 30 June 2012. However, given the prevailing condition of the real estate sector in Vietnam, it is management's assessment that these properties' market values are still higher than their carrying value as at interim balance sheet date.

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

12. LONG-TERM INVESTMENTS

	VND	
	30 June 2012	31 December 2011
Investment in a subsidiary	34,000,000,000	34,000,000,000
Investments in associates	268,448,938,645	277,248,938,645
Other long-term investments	81,901,500,000	102,046,200,000
Long-term securities	79,766,500,000	99,911,200,000
Other long-term investments	2,135,000,000	2,135,000,000
Provision for long-term investments	(17,719,857,659)	(26,876,857,659)
TOTAL	366,630,580,986	386,418,280,986

12.1 Investment in a subsidiary

	30 June 2012	
Name	Amount (VND)	% of interest
Intresco Construction Joint Stock Company	34,000,000,000	85
TOTAL	34,000,000,000	

Intresco Construction Joint Stock Company ("IC") is a shareholding company established in accordance with Business Registration Certificate No. 0310626100 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 February 2011. IC's registered office is located at 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. IC's principal activities are to construct civil and industrial projects; and to invest and construct infrastructure of residential areas and construction-related services.

12.2 Investments in associates

	30 June 2012		31 December 2011	
Name	Amount (VND)	%	Amount (VND)	%
Pham Gia Construction Limited Company	150,968,925,000	46.19	150,968,925,000	46.19
Sai Gon Binh Duong Joint stock Company	80,480,013,645	26.83	80,480,013,645	26.83
Long Binh Construction – Trading – Producing JS Company	21,000,000,000	36.36	21,000,000,000	36.36
An Dong Liksin Investment Joint Stock Company	16,000,000,000	40.00	16,000,000,000	40.00
Hai Au Concrete JS Company	-	-	8,800,000,000	40.00
TOTAL	268,448,938,645		277,248,938,645	
Provision for diminution in value of investments	(1,816,857,659)		(10,616,857,659)	
NET	266,632,080,986		266,632,080,986	

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

12. LONG-TERM INVESTMENTS (continued)

12.2 Investments in associates (continued)

Pham Gia Construction Limited Company ("PG") is a limited liability company established in accordance with Business Registration Certificate No. 0302535114 issued by the Department of Planning and Investment of Ho Chi Minh City on 29 January 2002 as amended. PG's registered office is located at E7/189A High Way 50, Da Phuoc Commune, Binh Chanh District, Ho Chi Minh City, Vietnam. PG's principal activities are to construct civil and industrial projects, to manufacture construction materials; and trade housing and related services.

Saigon Binh Duong Joint Stock Company ("SGBD") is a shareholding company established in accordance with Business Registration Certificate No. 3701647922 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 November 2009. SGBD's registered office is located at 11 Ngo Van Tri Street, Ward 2, Thu Dau Mot Town, Binh Duong Province, Vietnam. SGBD's principal activities are to manufacture and sell construction materials; to trade real estate properties and related services.

Long Binh Construction – Trading – Producing Joint Stock Company ("LB") is a shareholding company established in accordance with Business Registration Certificate No. 4103001780 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 April 1999, as amended. LB's registered office is located at 918-920 Nguyen Trai Street, Ward 14, District 5, Ho Chi Minh City, Vietnam. LB's principal activities are to manufacture and sell construction materials; to trade real estate properties and related services; and to provide warehousing and forwarding services.

An Dong Liksin Investment Joint Stock Company ("AD") is a shareholding company established in accordance with Business Registration Certificate No. 4103007548 issued by the Department of Planning and Investment of Ho Chi Minh City on 11 August 2007. AD's registered office is located at 51A-53A An Duong Vuong Street, Ward 8, District 5, Ho Chi Minh City, Vietnam. AD's principal activities are to trade real estate properties; to invest in and construct the infrastructure of residential areas; and to manufacture and sell construction materials, interior decoration products and construction equipment.

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

12. LONG-TERM INVESTMENTS (continued)

12.3 Other long-term investments

Name	30 June 2012		31 December 2011	
	Number of shares	Amount (VND)	Number of shares	Amount (VND)
Gia Dinh Development Investment Corporation	2,125,000	34,000,000,000	2,125,000	34,000,000,000
SSI Fund	3,000,000	30,000,000,000	3,000,000	30,000,000,000
Chanh Phu Hoa Investment – Construction Corporation	-	-	2,014,470	20,144,700,000
Bac Trung Nam Housing Development Corporation	54,665	5,466,500,000	54,665	5,466,500,000
Saigon Electronic Investment – Construction Corporation	50,000	5,000,000,000	50,000	5,000,000,000
Saigon Mangden Joint Stock Company	310,000	3,100,000,000	310,000	3,100,000,000
Saigon Infrastructure Joint Stock Company	22,000	2,200,000,000	22,000	2,200,000,000
Others	-	2,135,000,000	-	2,135,000,000
TOTAL		81,901,500,000		102,046,200,000
Provision for diminution in value of investments		(15,903,000,000)		(16,260,000,000)
NET		65,998,500,000		85,786,200,000

13. BORROWING COSTS

	VND	
	For the six-month period ended 30 June 2012	For the six-month period ended 30 June 2011
Interest expense (Note 24)	23,087,562,233	10,086,489,161
Capitalized as part of cost of real estate projects	13,634,465,154	23,437,768,930
TOTAL	36,722,027,387	33,524,258,091

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

14. SHORT-TERM LOANS

	VND	
	30 June 2012	31 December 2011
Bank loans	79,495,301,943	125,870,172,880
Loans from other organizations	80,000,000,000	65,000,000,000
Loans from individuals	34,096,125,000	29,096,125,000
Current portion of long-term loan (Note 20)	11,579,000,000	11,579,000,000
TOTAL	205,170,426,943	231,545,297,880

Details of bank loans are as follows:

Lenders	30 Jun 2012	Principal repayment term	Purpose	Interest rate	Description of collateral
VND					
Bank for Investment and Development of Vietnam					
Loan Contract No. 01/2011/HD/93 512 dated 18 July 2011	14,795,301,943	From 15 June 2012 to 17 July 2013	To finance working capital	13% p.a.	Land use right at No. 106 Ly Chinh Thang street, District 3, Ho Chi Minh City (Note 8)
Lien Viet Post Bank					
Loan Contract No. 092-12/HDHMTD-LienvietPostBank-HCM dated 7 June 2012	8,700,000,000	From 7 June 2012 to 7 June 2013	To finance working capital	17.5% p.a.	Land use right at 16 Nguyen Dinh Chieu street, DaKao Ward, District 1, Ho Chi Minh City (Note 9)
Vietnam Bank for Agriculture and Rural Development					
Loan Contract No. 6220-LAV-201100116/HD TD dated 17 February 2011	56,000,000,000	12 months until 9 September 2012	To finance working capital	17% p.a.	Land use right at 20 Nguyen Binh Khiem street, Da Kao Ward, District 1, Ho Chi Minh City (Note 11)
TOTAL	79,495,301,943				

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

14. **SHORT-TERM LOANS** (continued)

Details of loans from other organizations are as follows:

<i>Lenders</i>	<i>30 Jun 2012</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i>	<i>Description of collateral</i>
VND					
Saigon Trading Group (SATRA)					
Financial Investment Cooperation Contract No 33/2008 dated 4 April 2008 and appendix 68/2012 dated 15 April 2012	15,000,000,000	From 15 April 2012 to 15 July 2012	To finance the working capital for An Khang building's construction	17% p.a.	Right to buy An Khang apartments at the price of 80% market price
Gia Dinh Joint Stock Company					
Loan contract No. 376/DTKDN/HĐV V dated 20 June 2011	50,000,000,000	From 21 June 2011 to 20 December 2012	To finance the compensation for Long Thoi project	15% p.a.	Land use right at Long Thoi residential area, Nhon Duc Commune, Nha Be District, Ho Chi Minh City (Note 8)
An Dong Liksin Investment Joint Stock Company					
Loan contract No. 179/DTKDN/HĐV V dated 15 March 2012	15,000,000,000	From 12 April 2012 to 12 October 2012	To finance for Long Thoi project	14% p.a.	Unsecured
TOTAL	80,000,000,000				

Loans from individuals represent unsecured short-term loans amounting to VND 34,096,125,000 obtained from twenty five (25) individuals for the purpose of financing the land compensation of Long Thoi residential project for a period twelve (12) months from 30 June 2012 at the interest rate of 1.17% per month.

15. **TRADE PAYABLES**

	VND	
	<i>30 June 2012</i>	<i>31 December 2011</i>
Related party (Note 27)	35,478,453,310	33,352,664,754
Others	15,289,898,126	34,053,128,076
TOTAL	50,768,351,436	67,405,792,830

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

16. ADVANCES FROM CUSTOMERS

Advance from customers are the amounts received on the sale of apartment units and land lots of the following projects:

	VND	
	30 June 2012	31 December 2011
6A Project	104,584,029,000	104,884,029,000
6B Project	138,896,337,657	134,102,301,657
Binh Trung Dong Project	11,126,908,000	11,126,908,000
Nhon Duc Commune, Nha Be District Project	11,000,000,000	11,000,000,000
House No. 26 Phung Khac Khoan street	20,000,000,000	20,000,000,000
House No. 6F Ngo Thoi Nhiem street	7,000,000,000	-
Others	29,519,866,852	39,791,636,583
TOTAL	322,127,141,509	320,904,875,240

17. STATUTORY OBLIGATIONS

	VND	
	30 June 2012	31 December 2011
Value-added tax	22,954,906,918	28,500,038,802
Corporate income tax (Note 26.1)	55,509,373,912	55,285,502,539
Personal income tax	72,263,815	35,393,152
Other taxes	3,225,590,002	1,362,308,091
TOTAL	81,762,134,647	85,183,242,584

18. ACCRUED EXPENSES

	VND	
	30 June 2012	31 December 2011
Interest expense	11,106,004,474	7,705,195,947
Construction-related expenses	-	5,204,454,544
Others	353,774,000	525,750,000
TOTAL	11,459,778,474	13,435,400,491

19. OTHER PAYABLES

	VND	
	30 June 2012	31 December 2011
Land compensation for Long Thoi – Nha Be project payable to residents	39,827,195,091	39,827,195,091
Maintenance fee for apartment buildings	12,048,812,200	9,514,214,500
Dividends payable	2,960,268,909	2,960,268,909
Deposits received	3,463,758,293	3,778,245,327
Others	6,009,615,111	7,293,993,989
TOTAL	64,309,649,604	63,373,917,816

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

20. LONG-TERM LOANS

	VND	
	30 June 2012	31 December 2011
Loan from banks	261,905,208,492	185,263,000,000
<i>In which</i>		
Current portion (Note 14)	11,579,000,000	11,579,000,000
Non-current portion	250,326,208,492	173,684,000,000

Details of long-term bank loans are as follows:

Lender	30 June 2012	Principal repayment term	Purpose	Interest rate	Description of collateral
--------	--------------	--------------------------------	---------	------------------	------------------------------

VND

Bank for Investment and Development of Vietnam

Loan Contract No. 01/2011/HD/935 12 dated 18 July 2011	82,431,708,492	18 months from the withdrawal date to 7 July 2014	To finance Long Thoi – Nha Be project and 146 Nguyen Van Troi street, Phu Nhuan District project	14% p.a.	Land use right at No. 106 Ly Chinh Thang street, District 3, Ho Chi Minh City (Note 8)
--	----------------	---	--	----------	---

Saigon Commercial Joint Stock Bank, District 4 Branch

Long-term loan agreement No. LDC731600005	167,894,500,000	12 November 2027	To finance purchase of houses and land at No. 146 Nguyen Van Troi street and No. 223 Hoang Van Thu street, Phu Nhuan district, Ho Chi Minh City and development of construction building	Interest deposit for period of 13 months plus 0.45%p.a.	Land use rights at No. 146 Nguyen Van Troi street and No. 223 Hoang Van Thu street, Phu Nhuan District, Ho Chi Minh City (Note 8)
---	-----------------	------------------------	---	--	---

TOTAL 250,326,208,492

Investment and Trading of Real Estate Joint Stock Company

B09a-DN

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

21. OWNERS' EQUITY

21.1 Movements in owners' equity

VND

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings	Total
For the six-month period ended 30 June 2011							
As at 31 December 2010	690,866,880,000	974,114,436,600	-	30,640,486,547	16,417,006,154	246,137,189,583	1,958,175,998,884
Repurchase ordinary shares	-	-	(9,825,117,611)	-	-	-	(9,825,117,611)
Net loss for the period	-	-	-	-	-	(42,942,292,288)	(42,942,292,288)
Profit appropriation	-	-	-	-	10,142,460,679	(20,284,921,358)	(10,142,460,679)
As at 30 June 2011	<u>690,866,880,000</u>	<u>974,114,436,600</u>	<u>(9,825,117,611)</u>	<u>30,640,486,547</u>	<u>26,559,466,833</u>	<u>182,909,975,937</u>	<u>1,895,266,128,306</u>
For the six-month period ended 30 June 2012							
As at 31 December 2011	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,559,466,833	88,047,937,139	1,800,404,089,508
Net profit for the period	-	-	-	-	-	8,624,280,902	8,624,280,902
Dividend declared and paid	-	-	-	-	-	(34,323,164,000)	(34,323,164,000)
As at 30 June 2012	<u>690,866,880,000</u>	<u>974,114,436,600</u>	<u>(9,825,117,611)</u>	<u>30,640,486,547</u>	<u>26,559,466,833</u>	<u>62,349,054,041</u>	<u>1,774,705,206,410</u>

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

21. OWNERS' EQUITY (continued)

21.2 Capital transactions with owners and distribution of dividends and profits

	VND	
	For the six-month period ended 30 June 2012	For the six-month period ended 30 June 2011
Contributed share capital	690,866,880,000	690,866,880,000
Dividends declared and paid	34,323,164,000	-

21.3 Shares – ordinary shares

	30 June 2012 Shares	31 December 2011 Shares
Shares authorised to be issued	69,086,688	69,086,688
Shares issued and fully paid	68,646,328	68,646,328
Ordinary shares	69,086,688	69,086,688
Treasury shares	(440,360)	(440,360)

22. REVENUE

22.1 Revenue from sale of goods and rendering of services

	VND	
	For the six-month period ended 30 June 2012	For the six-month period ended 30 June 2011
Gross revenue	46,588,660,555	56,542,105,415
Of which:		
Sale of real estate properties	11,935,723,025	20,757,121,575
Revenue from construction contracts	25,652,495,953	25,337,924,731
Revenue from other services	9,000,441,577	10,447,059,109
Sales returns	-	-
NET	46,588,660,555	56,542,105,415
Of which:		
Sale of real estate properties	11,935,723,025	20,757,121,575
Revenue from construction contracts	25,652,495,953	25,337,924,731
Revenue from other services	9,000,441,577	10,447,059,109

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

22. REVENUE (continued)

22.2 Financial income

	VND	
	For the six-month period ended 30 June 2012	For the six-month period ended 30 June 2011
Dividends received	1,275,000,000	4,139,500,000
Interest income	276,714,853	1,838,848,091
Proceeds from disposal of investments	21,249,270,000	-
Others	-	31,532,569
TOTAL	22,800,984,853	6,009,880,660

23. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	For the six-month period ended 30 June 2012	For the six-month period ended 30 June 2011
Cost of real estate properties	(15,242,463,854)	40,330,969,890
Cost of construction	24,198,944,538	23,271,772,629
Cost of services rendered	5,876,295,027	6,020,367,922
TOTAL	14,832,775,711	69,623,110,441

24. FINANCIAL EXPENSES

	VND	
	For the six-month period ended 30 June 2012	For the six-month period ended 30 June 2011
(Reversal of) provision for diminution in value of investments	(357,000,000)	24,957,162,901
Bank loan interest (Note 13)	23,087,562,233	10,086,489,161
Others	31,801,250	490,658,000
TOTAL	22,762,363,483	35,534,310,062

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

25. 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	487,451,945	5,407,007,795
Gain on revaluation of contributed net assets	-	2,551,974,289
Penalty for late payment and cancellation of apartment sale contracts	-	1,438,546,739
Penalty for late payment of Gia Phu Project	-	1,000,000,000
Gain on fixed assets disposed	211,181,818	-
Others	276,270,127	416,486,767
Other expenses	(3,890,463,674)	(179,507,118)
Cancellation of compensation contracts	(3,531,015,000)	-
Others	(359,448,674)	(179,507,118)
NET	<u>(3,403,011,729)</u>	<u>5,227,500,677</u>

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. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the 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*

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 periods 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 interim balance sheet date.

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

26. CORPORATE INCOME TAX (continued)

26.1 Current CIT (continued)

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

	VND	
	For the six-month period ended 30 June 2012	For the six-month period ended 30 June 2011
Profit (loss) before tax	15,796,698,997	(49,097,947,300)
Adjustments to increase accounting profit (loss):		
Provision for obsolete inventories	-	24,439,962,641
Reversal of provision of diminution in value of investment in SSI Fund	(375,000,000)	-
Internal unrealized profits	-	182,657,406
Non-deductible expenses	1,855,383,107	1,635,064,100
Proceed from disposal of investment in a associate	(600,000,000)	-
Dividends received	(1,275,000,000)	(4,139,500,000)
Estimated current taxable profit (tax loss)	15,402,082,104	(26,979,763,153)
Tax loss carried forward	(15,402,082,104)	-
Estimated current CIT	-	-
CIT payable at beginning of period	55,285,502,539	67,502,103,053
Tax from prior periods of construction divisions	1,883,221,542	-
CIT paid during the period	(1,659,350,169)	(11,000,000,000)
CIT payable at end of period	55,509,373,912	56,502,103,053

26.2 Deferred CIT

The following are the deferred tax assets recognized by the Company, and the movements thereon, during the current and previous period:

	VND			
	Interim separate balance sheet		Credit to 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
Internal unrealized profit	2,206,338,881	2,206,338,881	-	45,664,352
Tax loss	17,309,631,122	24,482,049,217	(7,172,418,095)	6,109,990,660
Deferred income tax assets	19,515,970,003	26,688,388,098		
Net deferred income tax expense (income) to interim separate income statement			(7,172,418,095)	6,155,655,012

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

26. CORPORATE INCOME TAX (continued)

26.3 Tax losses carried forward

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 151,066,047,389 available for offset against future taxable profits. Details are as follows:

VND					
Originating year	Can be utilized up to	Tax loss amount	Utilized up to 30 June 2012	Forfeited	Unutilized at 30 June 2012
2011	2016	166,468,129,493	(15,402,082,104)	-	151,066,047,389
TOTAL		166,468,129,493	(15,402,082,104)	-	151,066,047,389

Estimated tax losses as per the Company's CIT declaration for prior financial year have not been audited by the local tax authorities.

27. TRANSACTIONS WITH RELATED PARTIES

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

VND			
Related party	Relationship	Transaction	Amount
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction service	23,130,074,942
		Expenses paid on behalf	105,000,000
Gia Dinh Development Investment Corporation	Related party	Dividends receipt	1,275,000,000
		Lending	50,000,000,000
An Dong Liksin Investment Joint Stock Company	Associate	Lending	15,000,000,000

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the interim separate balance sheet date were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND Amount</i>
Other receivables			
Sai Gon Binh Duong Joint stock Company	Associate	Interest income	<u>1,592,901,607</u>
Trade payables			
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction service	<u>35,478,453,310</u>
Advances to supplier			
Intresco Construction Joint Stock Company	Subsidiary	Advance for rendering of construction service	<u>1,795,513,406</u>
Loans			
Gia Dinh Development Investment Corporation	Associate	Lending	50,000,000,000
An Dong Liksin Investment Joint Stock Company	Associate	Lending	15,000,000,000
			<u>65,000,000,000</u>

28. CAPITAL COMMITMENT

At 30 June 2012, the Company has outstanding commitment of VND 104,049,091,935 (31 December 2011: VND 115,176,430,393) principally relating to the outstanding construction contracts of apartments building and development of infrastructure of the ongoing residential projects.

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

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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 currencies 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 cash and short-term deposits. These investments are mainly short term in nature and they are not held for speculative purposes.

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.

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

29. 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. There is only an immaterial impact on the Company's equity:

			VND
	Increase/decrease in basis points	Effect on profit before tax	Effect on balance sheet items
For the six-month period ended 30 June 2012			
	+200	(1,836,367,557)	2,734,842,085
	-200	1,836,367,557	(2,734,842,085)
For the six-month period ended 30 June 2011			
	+300	(2,824,369,851)	2,865,787,500
	-300	2,824,369,851	(2,865,787,500)

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, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risks related to receivables resulting from the sale of 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 in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Company evaluate the concentration of credit risk in respect to bank deposit as low.

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

29. 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 discounted payments:

			VND
	<i>Less than 1 year and from 1 to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
30 June 2012			
Loans and borrowings	205,170,426,943	250,326,208,492	455,496,635,435
Trade payables	50,768,351,436	-	50,768,351,436
Other payables and accrued expenses	78,187,030,401	-	78,187,030,401
	334,125,808,780	250,326,208,492	584,452,017,272
31 December 2011			
Loans and borrowings	231,545,297,880	173,684,000,000	405,229,297,880
Trade payables	67,405,792,830	-	67,405,792,830
Other payables and accrued expenses	78,764,633,898	-	78,764,633,898
	377,715,724,608	173,684,000,000	551,399,724,608

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 short term loan obtained from Lien Viet Post Bank, Bank of Investment and Development of Vietnam, Vietnam Bank Agriculture and Rural Development and Gia Dinh Development Investment Corporation (*Note 14*), and long term loan obtained from Saigon Commercial Joint Stock Bank, District 4 Branch (*Note 20*). The banks and the organisation have obligations 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.

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

30. 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 financial statements.

	Carrying amount				Fair value	
	30 June 2012		31 December 2011		30 June 2012	31 December 2011
	Cost	Provision	Cost	Provision		
Financial assets						
Trade receivables	146,270,314,936	(4,116,752,869)	192,629,395,915	(4,116,752,869)	142,153,562,067	188,512,643,046
Receivable from related parties	1,631,368,607	-	12,634,710,314	-	1,631,368,607	12,634,710,314
Other receivables	54,963,180,148	-	60,344,232,374	-	54,963,180,148	60,344,232,374
Other non – current financial assets	81,901,500,000	(15,903,000,000)	102,046,200,000	(16,260,000,000)	65,998,500,000	85,786,200,000
Cash and cash equivalents	19,909,342,447	-	15,898,380,006	-	19,909,342,447	15,898,380,006
TOTAL	304,675,706,138	(20,019,752,869)	383,552,918,609	(20,376,752,869)	284,655,953,269	363,176,165,740

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

30. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

VND

	<i>Carrying amount</i>		<i>Fair value</i>	
	<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	455,496,635,435	405,229,297,880	455,496,635,435	405,229,297,880
Payable to a related party	35,478,453,310	34,352,684,754	35,478,453,310	34,352,684,754
Trade payables	15,289,898,126	34,053,128,076	15,289,898,126	34,053,128,076
Other current liabilities	78,187,030,401	77,764,613,898	78,187,030,401	77,764,613,898
TOTAL	584,452,017,272	551,399,724,608	584,452,017,272	551,399,724,608

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 loans from banks as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. As at 30 June 2012, the carrying amounts such borrowings are not material different from their calculated value.

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

31. OTHER MATTERS

In 2004 and 2005, the Company compensated and developed these residential real estate projects under the approval of the Board Management of the Saigon South and the People's Committee of Ho Chi Minh City. These lands were sold to its customers and the related land use fees of these projects was paid to the relevant authorities based on the tax notices from the Department of Tax of Binh Chanh District, Ho Chi Minh City ("DoT") and in accordance with applicable land regulations in the years 2004 and 2005. The land use fees of these projects were calculated based on the land use fee frame of rural streets at that time.

However, the Company has received the additional tax notice from DoT, requesting the Company to pay additional land use fee of VND 244,550,400,000 for these projects due to change in application of land use fee frame from rural streets to front streets. The Company's management is of the opinion that the Company will not be subject to the additional land use fee as the Company has paid the land use fee in accordance with applicable land regulations at that time. The Company's management further believes the application of land use fee frames above breached the principle of objectivity and fairness in regulations which, in this case, adversely impacts the financial well being of the Company.

In June 2011, the Government Inspectors performed an inspection on the compliance with applicable regulations on land use and construction planning and land management of Ho Chi Minh City for the period from 2001 to 2010, including land lot No.7 – 6B project and 13E project ("these projects") of the Company in accordance with the Decision No. 404/QĐ-TTCT dated 8 March 2011 of the Government Inspectorate of Vietnam. Under the Minutes dated 30 June 2011 between the Government Inspectors and the Company, the Government Inspectors commented the land use and management of these projects of the Company as follows:

- Land compensation: up to 31 December 2005, the Company has completed its land compensation process. In accordance with Decree No. 120/2010/ND-CP dated 30 December 2010 of the Government, Official Letter No. 7694/UB-DT dated 14 December 2004 of the People's Committee of Ho Chi Minh City and Official Letter No. 678/PC-BQL dated 27 December 2004 of the Management Board of Saigon South, the Company is entitled to the land use fee frame for the compensated land areas in the years 2004 and 2005 based on areas actual handed-over land.
- Project locations: the locations applied for land use fee computation by the DoT were not in conformity with the inter-departmental official letter No. 41/HD-LS dated 21 January 1995 and No. 734/HD-LS dated 31 January 2005, and also were not applied Decision No. 21/2002/QĐ-UB dated 11 March 2002 of People's Committee of Ho Chi Minh City in the determination of the location of these projects.

During the year 2011 and up to the date of this report, the Company has been in the process of appealing this application to the People's Committee of Ho Chi Minh City and Prime Minister.

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

31. OTHER MATTERS (continued)

Accordingly, in Official Letter No.1812/UBND-DTMT dated 23 April 2012, the People's Committee of Ho Chi Minh City sent to the Finance Service of Ho Chi Minh City to require this body to cooperate with Inspector of Ho Chi Minh City and Department of Natural Resources and Environment of Ho Chi Minh City, Ho Chi Minh Department of Transportation, the Management Board of Saigon South, Department Tax of Ho Chi Minh City, the People's Committee of Binh Chanh District and Office of the People's Committee of Ho Chi Minh City to inspect and reassess the correct land use fees payable of these above projects.

And in the Official Letter No.5005/CT-QLD dated 29 June 2012 of Department Tax of Ho Chi Minh City sent to Finance Service of Ho Chi Minh City and Department Tax of Ho Chi Minh City commented that the land use fee of these projects was computed by DoT based on the land use fee frame of rural streets in 2004 and 2005 in conformity with the applicable land price list in the Decision No.2123/QD-UB dated 17 May 2004 and Official Letter No. 4001/UB-QLDT dated 24 September 1999 issued by the People's Committee of Ho Chi Minh City.

Therefore, the ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the interim separate financial statements.

32. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

There have been no other significant events occurring after the interim separate balance sheet date which would require adjustments or disclosures to be made in the interim separate financial statements.



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

27 August 2012