

Vincom Joint Stock Company

Consolidated Financial Statements

31 December 2011

Vincom Joint Stock Company

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Vincom Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vincom Joint Stock Company ("the Company") is a joint stock company established in Vietnam in accordance with Business Licence No. 0103001016 issued by the Hanoi Department of Planning and Investment on 3 May 2002 and Business Licence No. 0101245486 reissued on 12 May 2010. The Company also received subsequent amended business licenses with the latest, being the 38th amended business license, dated 13 January 2012.

The Company's shares were officially listed on the Hochiminh City Stock Exchange ("HOSE") from 19 September 2007 pursuant to Decision No.106/QĐ-TTGDHCM issued by the Director of HOSE on 7 September 2007.

The principal activities of the Company are to construct and provide retail outlets, commercial offices for lease, residential units for lease and for sale, to provide entertainment services, to carry out investment activities, to trade in investment securities and to conduct other businesses as stipulated in its business licenses.

The Company's head office is registered at 191 Ba Trieu street, Hai Ba Trung district, Hanoi, Vietnam and its branch is located at No. 72 Le Thanh Ton, Ben Nghe ward, district 1, Hochiminh city, Vietnam. The Company is now located at the Office buildings at Vincom Village, Phuc Loi ward, Long Bien district, Hanoi, Vietnam.

THE BOARD OF DIRECTORS

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

Pham Nhat Vuong	Chairman	Assigned on 15 November 2011
Le Khac Hiep	Chairman	Resigned on 15 November 2011
Le Khac Hiep	Vice-chairman	Assigned on 15 November 2011
Pham Thuy Hang	Vice-chairman	
Pham Thu Huong	Vice-chairman	Assigned on 15 November 2011
Nguyen Dieu Linh	Vice-chairman	
Le Thi Thu Thuy	Vice-chairman	Assigned on 15 November 2011
Vu Tuyet Hang	Vice-chairman	Assigned on 15 November 2011
Nguyen Trong Hien	Member	Assigned on 15 November 2011
Ling Chung Yee Roy	Member	Assigned on 26 February 2011
Pham Van Khuong	Member	Resigned on 26 February 2011
Mai Huong Noi	Member	Resigned on 15 November 2011

BOARD OF SUPERVISION

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

Nguyen The Anh	Head of supervisory board	
Dinh Ngoc Lan	Member	
Do Thi Hong Van	Member	Assigned on 15 November 2011
Hoang Thuy Mai	Member	Assigned on 15 November 2011
Pham Thy Tho	Member	Resigned on 15 November 2011
Nguyen Thi Van Trinh	Member	Assigned on 26 February 2011

Vincom Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

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

Ms. Mai Huong Noi	General Director
Mr. Pham Van Khuong	Deputy General Director
Ms. Nguyen Dieu Linh	Deputy General Director
Ms. Hoang Bach Duong	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Ms. Mai Huong Noi.

AUDITORS

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

Vincom Joint Stock Company

REPORT OF THE MANAGEMENT

The management of Vincom Joint Stock Company ("the Company") presents its report and the consolidated financial statements of the Company and its subsidiaries ("the Group") as at 31 December 2011 and for the year then ended.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

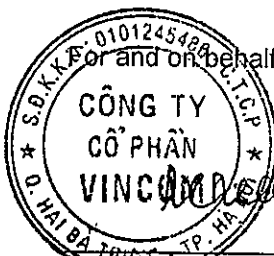
- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;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

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

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements for the year ended 31 December 2011.

STATEMENT BY MANAGEMENT

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



Mai Hoàng Noi
General Director

Hanoi, Vietnam

20 March 2012

Reference: 60729565/15152153

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Vincom Joint Stock Company

We have audited the accompanying consolidated financial statements of Vincom Joint Stock Company and its subsidiaries ("the Group") as set out on pages 5 to page 71, which comprise the consolidated balance sheet as at 31 December 2011, the consolidated income statements and consolidated statements of cash flows for the years then ended, and the notes thereto.

The preparation and presentation of these consolidated financial statements are the responsibility of the management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

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



Ernst & Young Vietnam Ltd.

Ernst & Young Vietnam Limited



Bui Anh Tuan
Deputy General Director
Certificate No. N.1067/KTV



Le Duc Truong
Auditor
Certificate No. 0816/KTV

Hanoi, Vietnam

20 March 2012

Vincom Joint Stock Company

B01-DN/HH

CONSOLIDATED BALANCE SHEET
as at 31 December 2011

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance (Re-presented)
100	A. CURRENT ASSETS		20,039,498,304,151	13,439,762,715,557
110	<i>I. Cash and cash equivalents</i>	5	<i>1,231,728,589,840</i>	<i>1,515,008,976,492</i>
111	1. Cash		656,243,958,622	821,683,976,492
112	2. Cash equivalents		575,484,631,218	693,325,000,000
120	<i>II. Short-term investments</i>	6	<i>4,174,887,714,583</i>	<i>3,932,273,470,799</i>
121	1. Short-term investments		4,195,988,849,590	3,942,515,956,299
129	2. Provision for short-term investments		(21,101,135,007)	(10,242,485,500)
130	<i>III. Current receivables</i>		<i>5,135,497,476,935</i>	<i>5,663,564,994,753</i>
131	1. Trade receivables	7	1,096,924,061,390	3,005,074,311,687
132	2. Advances to suppliers		2,041,076,551,154	1,638,208,034,996
135	3. Other receivables	8	1,999,876,495,659	1,033,236,740,239
139	4. Provision for doubtful debts		(2,379,631,268)	(12,954,092,169)
140	<i>IV. Inventories</i>	9	<i>9,282,402,573,172</i>	<i>2,264,169,759,164</i>
141	1. Inventories		9,295,702,390,616	2,264,169,759,164
149	2. Provision for obsolete inventories		(13,299,817,444)	-
150	<i>V. Other current assets</i>		<i>214,981,949,621</i>	<i>64,745,514,349</i>
151	1. Short-term prepaid expenses	10	42,081,292,302	19,623,595,664
152	2. Value added tax deductibles		149,110,589,727	42,648,048,678
158	3. Tax and other receivables from the State		2,025,026,959	-
159	4. Other current assets	11	21,765,040,633	2,473,870,007
200	B. NON-CURRENT ASSETS		15,473,136,819,333	12,707,086,531,862
220	<i>I. Fixed assets</i>		<i>6,508,942,834,720</i>	<i>4,714,385,852,467</i>
221	1. Tangible fixed assets	12	1,772,577,005,816	163,686,218,038
222	Cost		1,799,883,929,788	192,230,352,378
223	Accumulated depreciation		(27,306,923,972)	(28,544,134,340)
227	2. Intangible fixed assets	13	169,407,501,624	179,542,613,642
228	Cost		195,651,739,147	196,744,083,572
229	Accumulated amortisation		(26,244,237,523)	(17,201,469,930)
230	3. Construction in progress	14	4,566,958,327,280	4,371,157,020,787
240	<i>II. Investment properties</i>	15	<i>3,960,676,144,502</i>	<i>3,646,743,623,933</i>
241	1. Cost		4,181,585,332,122	3,763,420,137,800
242	2. Accumulated depreciation		(220,909,187,620)	(116,676,513,867)
250	<i>III. Long-term investments</i>	17	<i>2,069,242,276,169</i>	<i>3,741,758,211,783</i>
252	1. Investments in associates, jointly controlled entities		868,978,280,751	3,295,920,940,246
258	2. Other long-term investments		1,200,263,995,418	447,199,798,748
259	3. Provision for long-term investments		-	(1,362,527,211)
260	<i>IV. Other long-term assets</i>		<i>669,453,466,072</i>	<i>361,322,428,998</i>
261	1. Long-term prepaid expenses	18	650,698,913,075	345,089,220,601
262	2. Deferred tax assets	35.2	8,237,287,997	14,586,915,040
268	3. Other long-term assets		10,517,265,000	1,646,293,357
269	<i>V. Goodwill</i>	19	<i>2,264,822,097,870</i>	<i>242,876,414,681</i>
270	TOTAL ASSETS		35,512,635,123,484	26,146,849,247,419

Vincom Joint Stock Company

B01-DN/HN

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2011

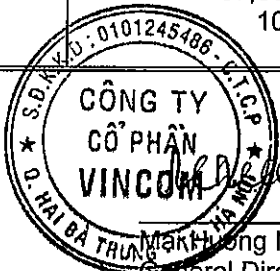
Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance (Re-presented)
300	A. LIABILITIES		27,260,458,138,945	16,593,209,101,230
310	I. Current liabilities		21,630,198,244,261	5,252,364,658,153
312	1. Short-term loans and borrowings	20	4,625,302,442,156	294,320,590,034
313	2. Trade payables		538,965,024,625	112,761,461,723
313	3. Advances from customers	21	12,044,721,660,330	931,723,029,733
	- Downpayment from customers for purchase of residential properties		12,029,175,654,585	928,363,072,297
	- Advances from other customers		15,546,005,745	3,359,957,436
314	4. Statutory obligations	22	309,186,664,447	1,006,650,631,435
315	5. Payables to employees		29,405,109,761	12,547,094,121
316	6. Accrued expenses	23	1,873,523,133,596	537,337,366,204
	- Accrued bond and loan interests		568,864,039,182	370,743,439,148
	- Accrual for construction costs		1,248,285,918,261	122,508,534,020
	- Other accrued expenses		56,373,176,153	44,085,393,036
319	7. Other payables	24	2,209,094,209,346	2,357,024,484,903
	- Downpayment from customers under loan agreements		1,478,811,373,801	2,183,325,784,959
	- Other payables		730,282,835,545	173,698,699,944
330	II. Non-current liabilities		5,630,259,894,684	11,340,844,443,077
333	1. Other long-term liabilities	25	200,266,208,059	132,880,063,891
334	2. Long-term loans and borrowings	26	5,408,778,229,684	11,190,346,230,241
335	3. Deferred tax liabilities	35.2	21,215,456,941	17,618,148,945
400	B. OWNERS' EQUITY		6,501,237,900,575	6,842,651,283,995
410	I. Capital	27.1	6,501,237,900,575	6,842,651,283,995
411	1. Contributed chartered capital		3,911,498,930,000	3,726,252,370,000
412	2. Share premium		2,395,153,738,480	1,522,259,442,223
414	3. Treasury shares		(720,199,415,988)	(720,199,415,988)
417	4. Supplementary capital reserve fund		-	1,762,837,618
418	5. Financial reserve fund		7,845,114,930	2,762,837,618
420	6. Undistributed earnings		906,939,533,153	2,309,813,212,524
439	C. MINORITY INTEREST	28	1,750,939,083,964	2,710,988,862,194
440	TOTAL LIABILITIES AND OWNERS' EQUITY		35,512,635,123,484	26,146,849,247,419

OFF BALANCE SHEET ITEMS

ITEMS	Ending balance	Beginning balance
Foreign currencies (US\$)	67,682	183,147
Foreign currencies (EUR)	106	4,861


 Nguyen Thi Thu Hien
 Chief Accountant


 CÔNG TY
 CỔ PHẦN
VINCOM
 Mark Hung Noi
 General Director

20 March 2012

Vincom Joint Stock Company

B02-DN/HN

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2011

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	29.1	2,313,739,781,730	3,872,979,781,266
02	2. Deductions	29.1	-	-
10	3. Net revenue from sale of goods and rendering of services	29.1	2,313,739,781,730	3,872,979,781,266
11	4. Cost of goods sold and services rendered	31	(1,306,236,537,557)	(927,026,108,077)
20	5. Gross profit from sale of goods and rendering of services		1,007,503,244,173	2,945,953,673,189
21	6. Income from financial activities	29.2	1,687,365,816,306	1,280,461,859,797
22	7. Expenses from financial activities	32	(904,700,560,196)	(987,456,894,447)
23	- In which: Interest expenses		(807,484,484,862)	(511,476,475,135)
24	8. Selling expenses		(100,146,853,126)	(29,435,956,071)
25	9. General and administrative expenses		(444,155,874,833)	(239,695,200,820)
30	10. Operating profit		1,245,865,772,324	2,969,827,481,648
31	11. Other income	33	130,414,885,097	179,241,332,230
32	12. Other expenses	33	(101,520,550,542)	(71,549,951,611)
40	13. Other profit		28,894,334,555	107,691,380,619
45	14. Share in profit of associates	30	196,711,339,694	65,535,940,673
50	15. Net profit before tax		1,471,471,446,573	3,143,054,802,940
51	16. Current corporate income tax expense	35.1	(387,964,312,769)	(700,704,758,533)
52	17. Deferred income tax expense	35.2	(9,946,935,040)	(10,335,047,030)
60	18. Net profit after tax		1,073,560,198,764	2,432,014,997,377
	Attributable to			
	18.1. Minority interests	28	252,274,322,805	125,116,211,150
	18.2. Equity holders of the parent	27.1	821,285,875,959	2,306,898,786,227

Vincom Joint Stock Company

B02-DN/HN

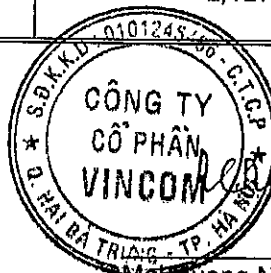
CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2011

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	19. Earnings per share	37		
	- Basic		2,238	6,837
	- Diluted		2,127	6,340



Nguyen Thi Thu Hien
Chief Accountant



Ma Thị Hương Nôi
General Director

20 March 2012

Vincom Joint Stock Company

B03-DN/HN

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2011

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax		1,471,471,446,573	3,143,054,802,940
	<i>Adjustments for:</i>			
02	Depreciation and amortisation (including goodwill amortisation)	12,13, 15,19	199,317,114,262	82,585,116,152
03	Provision		12,221,478,840	(19,214,422,240)
04	Unrealised foreign exchange losses	32	26,908,645,760	91,402,905,358
05	Loss/(gain) on disposal of fixed assets	33	5,404,084,760	(2,012,984,795)
05	Gain from disposal of equity investments in other entities	29.2	(872,623,487,485)	(218,505,422,620)
05	Negative goodwill due to acquisition of additional shares in subsidiaries		(11,546,465,640)	-
05	Gain from Ecology merger		-	(84,327,237,669)
05	Share in profit of associates	30	(196,711,339,694)	(65,535,940,673)
05	Interest and dividend income	29.2	(785,058,983,719)	(537,518,890,418)
06	Interest expenses	32	807,484,484,862	511,476,475,135
08	Operating income before changes in working capital		656,866,978,519	2,901,404,401,170
09	Decrease/(increase) in receivables		962,424,433,108	(4,407,501,951,813)
10	Increase in inventories		(4,364,830,317,207)	(144,873,321,759)
11	Increase in payables (excluding interest and corporate income tax payable)		8,678,060,560,809	3,261,838,944,290
12	Increase in prepaid expenses		(381,406,532,855)	(261,819,749,646)
13	Interest paid		(1,192,631,581,884)	(1,048,074,859,461)
14	Corporate income tax paid	35.1	(1,030,085,134,846)	(312,592,412,186)
16	Other cash outflow from operating activities		(30,187,169,243)	(27,733,342,232)
20	Net cash flows from/(used in) operating activities		3,298,211,236,401	(39,352,291,637)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(1,466,116,187,077)	(4,667,000,360,776)
22	Proceeds from disposals of assets		207,235,846,450	66,348,737,887
23	Loans provided to related and other parties and trust investment		(700,000,000,000)	(499,000,000,000)
23	Short-term deposits		(1,033,825,000,000)	(1,600,000,000,000)
24	Collection of loans provided to related and other parties		1,106,419,943,518	1,580,792,152,829
24	Redemption of short-term deposits		800,000,000,000	1,250,000,000,000
25	Payments for equity investments in other entities		(316,359,158,903)	(2,460,222,718,617)
25	Acquisition of other assets		-	(361,300,000,000)
25	Acquisition of additional shares in subsidiaries		(3,197,651,000,000)	(207,000,000,000)
26	Proceeds from disposals of equity investments in other entities		1,099,481,278,073	441,282,332,777
26	Proceeds from disposals of equity investments in subsidiaries		1,246,756,815,786	420,500,000,000
28	Interest and dividend received		861,951,861,434	469,012,014,215
30	Net cash flows used in investing activities		(1,392,105,600,719)	(5,566,587,841,685)

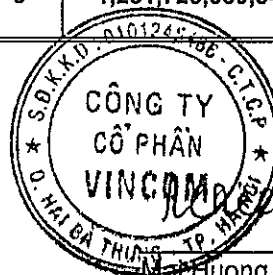
CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2011

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issuance of ordinary shares		-	377,217,910,000
31	Capital contribution from minority interest		274,487,652,842	722,028,823,556
31	Proceeds from sale of treasury shares		-	1,578,713,500,000
32	Payments for acquisition of treasury shares		-	(25,657,830,000)
33	Proceeds from bond issuance and borrowings		2,868,261,067,533	3,418,205,875,559
34	Loan repayment		(3,186,066,741,944)	(376,498,497,233)
36	Dividends paid		(2,146,068,000,765)	-
40	Net cash (used in)/flows from financing activities		(2,189,386,022,334)	5,694,009,781,882
50	Net (decrease)/increase in cash and cash equivalents		(283,280,386,652)	88,069,648,560
60	Cash and cash equivalents at the beginning of the year		1,515,008,976,492	1,426,939,327,932
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the year	5	1,231,728,589,840	1,515,008,976,492



Nguyen Thi Thu Hien
Chief Accountant



Ma Phương Nôi
General Director

20 March 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 31 December 2011**1. CORPORATE INFORMATION**

Vincom Joint Stock Company ("the Company") is a joint stock company established in Vietnam in accordance with Business Licence No. 0103001016 issued by the Hanoi Department of Planning and Investment on 3 May 2002 and Business Licence No. 0101245486 reissued on 12 May 2010. The Company also received subsequent amended business licenses with the latest, being the 38th amended business license, dated 13 January 2012.

The Company's shares were officially listed on the Hochiminh City Stock Exchange ("HOSE") from 19 September 2007 pursuant to Decision No.106/QD-SGDHCM issued by the Director of HOSE on 7 September 2007.

The principal activities of the Company are to construct and provide retail outlets, commercial offices for lease, residential units for lease and for sale, to provide entertainment services, to carry out investment activities, to trade in investment securities and to conduct other businesses as stipulated in the business licenses.

The Company's head office is registered at 191 Ba Trieu street, Hai Ba Trung district, Hanoi, Vietnam and its branch is located at No. 72 Le Thanh Ton, Ben Nghe ward, district 1, Hochiminh city, Vietnam. The Company is now located at the Office buildings at Vincom Village, Phuc Loi ward, Long Bien district, Hanoi, Vietnam.

Corporate structure

The Company has the following subsidiaries:

PFV Investment and Trading Joint Stock Company ("PFV")

PFV was transformed into a joint stock company in accordance with Business License No. 0103025765 issued by Hanoi Department of Planning and Investment on 17 September 2008, with a registered chartered capital of VND 600 billion. The registered office address of this company is at 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam.

PFV's principal business activities are to construct and provide retail outlets, commercial offices for lease and high-end apartment units for sale. As at 31 December 2011, the Company holds 74.41% voting rights in this subsidiary.

Vincom Securities Joint Stock Company ("VSC")

VSC is a joint stock company established in Vietnam in accordance with Operating Licence No. 70/UBCK-GP dated 10 December 2007 issued by the State Securities Commission with a chartered capital of VND300 billion.

VSC's principal business activities are to provide brokerage services, proprietary trading of securities, underwriting and investment advisory services. VSC's head office is located on the L2 floor, Vincom Center, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Hochiminh City, Vietnam. As at 31 December 2010, the Company holds 75% voting rights in this subsidiary and this shareholding was fully disposed in March 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)*Hai Phong Land Development and Investment Joint Stock Company ("Hai Phong Land JSC")*

Hai Phong Land JSC is a joint stock company established in accordance with Business License No. 0203000675 dated 5 January 2004, and the 7th amendment on 2 June 2008, with a registered chartered capital of VND300 billion. The registered office address of this company is at 4 Le Thanh Tong street, May To Ward, Ngo Quyen district, Hai Phong city, Vietnam.

Hai Phong Land JSC was granted with a land area of 9,125 square meters in accordance with Land Use Rights Certificate No.T00498 issued by the Hai Phong People's Committee on 23 January 2008 at 4 Le Thanh Tong street, May To ward, Ngo Quyen district, Hai Phong city for the development of an office and apartment building complex. As at 31 December 2011, the Company directly and indirectly holds 90% voting rights in this subsidiary.

Royal City Real Estate Development & Investment Joint Stock Company ("Royal City")

Royal City is a joint stock company established in accordance with Investment Certificate No. 0103038194 dated 11 June 2009, and the 2nd Amended Investment Certificate No. 0103970225 dated 8 July 2010, with a registered chartered capital of VND3,200 billion. The registered office address of this company is at 74 Nguyen Trai, Thuong Dinh ward, Thanh Xuan district, Hanoi, Vietnam.

Royal City's principal business activities are to trade real estate properties, perform civil work, provide hospitality and entertainment services and conduct other businesses as stipulated in its business license. As at 31 December 2011, the Company holds 77.11% voting rights in this subsidiary.

Sai Dong Urban Development & Investment Joint Stock Company ("Sai Dong Land")

Sai Dong Land is a joint stock company established in accordance with Investment Certificate No. 0103040736 dated 17 September 2009, with a registered chartered capital of VND500 billion. The registered office address of this company is at 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam.

Its principal business activities are to trade real estate properties, construct buildings and civil works, and provide hospitality, entertainment, sauna, massage and advertising services. As at 31 December 2011, the Company holds 61% voting rights in this subsidiary.

Viettronics Land Company Limited ("Viettronics Land")

Viettronics Land is a two-member limited liability company established in accordance with Business License No. 0102042441 issued by Hanoi's Department of Planning and Investment on 25 September 2009, with a registered chartered capital of VND300 billion. The registered office address of this company is at 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam.

Its principal business activities are to trade real estate properties, construct buildings and perform civil works, and provide hospitality, entertainment, sauna, massage and advertising services. As at 31 December 2010, the Company holds 64% voting rights in this subsidiary.

On 8 June 2011, the Company acquired an additional 20% shares in Viettronics Land and therefore, increasing its voting rights in the subsidiary to 84%. On 13 July 2011 and 20 July 2011, the Company respectively disposed 10% and 73% shares in Viettronics Land and therefore, reducing its voting rights to 1%. Thereby, the Company consequently lost control of this subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)*Hanoi Southern City Development JSC ("Hanoi South")*

Hanoi South, previously known as BIDV-PP JSC, is a joint stock company established in accordance with Business Licence No. 0103022741 issued by Hanoi Department of Planning and Investment on 6 March 2008, with a registered chartered capital of VND 300 billion. In accordance with the 8th Amended Investment Licence dated 5 August 2010, Hanoi South increased its registered chartered capital to VND 2,000 billion. The registered office address of this company is at 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam.

Its principal business activities are to trade real estate properties, construct buildings and perform civil works, and provide hospitality, entertainment, and other services as stipulated in its business licenses. As at 31 December 2011, the Company directly and indirectly holds 66.33% voting rights in this subsidiary.

Xavinco Land Joint Stock Company ("Xavinco")

Xavinco is a joint stock company established in accordance with Business License No. 0104644263 issued by Hanoi Department of Planning and Investment on 11 May 2010, with a registered chartered capital of VND 60 billion. Its principal business activities are to trade real estate properties, construct buildings and perform civil works, and provide hospitality, entertainment, sauna, massage and advertising services. As at 31 December 2010, the Company holds 57% voting rights in this subsidiary.

On 27 June 2011, the Company disposed 56% shares in Xavinco and therefore reduced the percentage of voting rights to 1%. The Company consequently lost control of this subsidiary.

Ho Tay Real Estate Development and Investment Joint Stock Company ("Ho Tay")

Ho Tay is a joint stock company established in accordance with Business License No. 0104883913 issued by Hanoi Department of Planning and Investment dated 25 August 2010, with a registered chartered capital of VND 50 billion. The registered office address of this company is at No. 69B Thuy Khue street, Tay Ho district, Hanoi, Vietnam.

Its principal business activities are to trade real estate properties, construct buildings and railway, road, public projects and provide hospitality, entertainment, sauna, massage and advertising services. As at 31 December 2011, the Company holds 70% voting rights in this subsidiary.

Viet Thanh – Sai Dong Company Limited ("Viet Thanh – Sai Dong")

Viet Thanh – Sai Dong is a two-member limited liability company established in accordance with Business License No. 0105748699 issued by Hanoi Department of Planning and Investment on 23 December 2011, with a registered chartered capital of VND100 billion. The registered address of this company is at No. 13, Hai Ba Trung street, Trang Tien ward, Hoan Kiem district, Hanoi, Vietnam.

Its principal business activities are to trade real estate properties, provide real estate consultancy and management services, provide advertising services and other activities as regulated in Business Registration Certificate. As at 31 December 2011, the Company indirectly holds 51% voting rights in this subsidiary.

As at 31 December 2011, the Company also has investments in associates as presented in Note 17.1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The consolidated financial statements of the Company and its subsidiaries ("the Group"), which are expressed in Vietnam dong ("VND"), are prepared in accordance with the 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 Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

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

The Group's consolidated balance sheet has a change in comparison to the template balance sheet, Form No. B01-DN as stipulated in Decision 15/2006/QD-BTC dated 20 March 2006 issued by the Ministry of Finance providing guidance on Vietnamese Accounting System. The changes are in the presentation of certain line items i.e, Advances from customers, Accrued expenses and Other short-term payables. The Company sent an Official Letter No. 40/2012/CV-VincomJSC-KT dated 22 February 2012 to obtain approval from the Ministry of Finance on this change. However, up to the date of these consolidated financial statements, the Company has not received official response from the Ministry of Finance.

2.2 *Registered accounting documentation system*

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

2.3 *Fiscal year*

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

2.4 *Accounting currency*

The Group maintains its accounting records in VND.

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2011.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**2. BASIS OF PREPARATION** (continued)**2.5 Basis of consolidation** (continued)

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1 Change in accounting policies and disclosures**

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

3.1.1 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

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

The adoption of Circular 210 results in new disclosures being added to the consolidated financial statements as shown in Note 39 and Note 40.

Circular 210 also requires the Group to evaluate the terms of non-derivative financial instrument issued by the Group to determine whether it contains both a liability and an equity component. Such components are classified separately as financial liabilities, financial assets or equity instruments in the consolidated balance sheet.

3.2 Cash and cash equivalents

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

3.3 Inventories*Inventory property*

Property 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 realisable value.

Cost includes:

- ▶ Freehold and leasehold rights for land;
- ▶ Amounts paid to contractors for construction;
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories (continued)

Inventory property (continued)

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less costs to completion and the estimated costs of sale.

The cost of inventory recognised 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 inventory property sold.

Other inventories

Inventories are carried 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 the costs of inventories, in which construction materials are valued at the cost of purchase, on a first in first out basis.

Provision for obsolete inventories

An inventories provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.4 Receivables

Receivables are presented in the consolidated 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-payment arising on receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use. Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred. When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred. When intangible fixed assets are sold or retired, their costs and accumulated amortisation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

3.7 Depreciation and amortisation

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

Buildings and structures	25 - 48 years
Machinery and equipment	3 - 6 years
Motor vehicles	3 - 10 years
Office equipment	3 - 5 years
Others	4 years
Land rental rights	20 years
Computer software	3 years

No amortisation is charged on land use rights with indefinite terms.

3.8 Investment properties

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

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

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

Land use rights	46 - 48 years
Buildings	45 - 47 years
Machinery and equipment	9 - 10 years

Land use rights presented as investment properties include definite land use rights granted to the Group for the development of its investment properties. Such definite land use rights are amortised over the use term.

Land use rights presented as investment properties also include indefinite land use rights granted to the Group for the development of its investment properties. Such indefinite land use rights are not amortised.

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 consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Investment properties (continued)*

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.

3.9 *Borrowing costs*

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

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

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

3.10 *Prepaid expenses*

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

Long-term prepaid expenses include prepaid land rental, bond issuance costs and other long-term expenses that bring future economic benefits for more than one year period.

3.11 *Business combinations and goodwill*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10 year period.

Property acquisitions and business combinations

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.). The significance of any process is judged with reference to the guidance in VAS 5 about ancillary services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Business combinations and goodwill (continued)

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

Changes in ownership interest in subsidiaries without loss of control

When the Company acquires a minority interest in an existing subsidiary, the difference between the consideration paid and the carrying value of net assets acquired is presented as goodwill in the consolidated balance sheet.

Where there is a partial disposal of ownership interest in an existing subsidiary without loss of control, a gain or loss is recognised in the consolidated income statement at the difference of the consideration received and the carrying value of net assets disposed.

Business combinations involving entities or businesses under common control

Business combinations involving entities or businesses under common control is as follows:

- ▶ The assets and liabilities of the combining entities are reflected at their carrying amounts on the date of business combination;
- ▶ No goodwill is recognized as a result of the combination;
- ▶ Income statement reflects the results of the combining entities from the date when the combination took place;
- ▶ Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within equity under "Consolidation reserve".

3.12 Investments in associates

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

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Company's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over a 10 year period. The consolidated income statement reflects the share of the results of operation of the associate.

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

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

3.13 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 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 consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Payables to contractors are recorded based on interim work certificates between two parties, regardless of whether or not billed to the Group.

3.15 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 consolidated income statement.

3.16 Foreign currency transactions

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

Transactions in currencies other than the Group's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at inter-bank exchange rates ruling at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the consolidated income statement.

The impact to the consolidated financial statements as at 31 December 2011 and the year then ended had the Group adopted the Circular 201/2009/TT-BTC issued on 15 October 2009 by the Ministry of Finance providing guidance for the treatment of foreign exchange differences is insignificant.

3.17 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 the consolidated income statement upon purchase, sale, issue or cancellation of the Group's own equity instruments.

3.18 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval by the shareholders in a General Shareholders' meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and the Vietnamese regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting. Financial reserve fund is set aside to protect the Group's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.19 Customers' deposits**

Payments received from customers as deposits for the purchase of apartment units in the future that do not meet the conditions for revenue recognition, are recognized and presented as "advances from customers" in the liability section of the consolidated balance sheet.

Payments received from customers under loan agreements are recognized and presented as "other short-term payables" in the liability section of the consolidated balance sheet.

3.20 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. 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:

Revenue from sale of inventory property

Revenue from sale of inventory property is recognised when the significant risks and rewards of ownership of the properties have passed to the buyer.

Revenue from leasing of investment properties

Rental income arising from leased investment properties is accounted for on a straight line basis over the lease terms on ongoing leases.

Rendering of services

Revenue is recognised when services are rendered to the customers.

Gains from securities trading/capital transfer

Gains from securities trading and capital transfer are determined as the excess of selling prices against the cost of securities sold. Such gain is recognized on the trade date when the relevant contracts are executed.

Interest

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

Dividends

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Taxation

Current income tax

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred 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, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Taxation (continued)

Deferred tax (continued)

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group 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 Group intends either 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.

3.22 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 consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

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

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

Financial liabilities

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

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

The Group's financial liabilities include trade and other payables, corporate bonds and convertible bonds/loans, loans and borrowings.

Financial instruments – subsequent measurement

Circular 210 currently does not provides provision on subsequent measurement of financial instruments.

Offsetting of financial instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Convertible bond/ loan

Bonds and loans convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability (a contractual arrangement to deliver cash or another financial asset) and equity instrument (a call option granting the holder the right, for a specified period of time based on the terms of the contract. In cases where the numbers of ordinary shares to be converted, is not fixed, the entire convertible bonds or convertible loans are classified as a financial liability.

On issuance of the convertible bond/ loan, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond/loan. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible bond/loan based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

In December 2009, the Company issued US\$100,000,000 convertible bonds with a term of 5 years and in July 2011, the Company signed a credit agreement for a US\$40,000,000 convertible loan with a term of 11 months. Management has assessed that there is no equity component in these convertible bonds (since there is no known fixed number of shares to be converted on issue date) and as a result, has recognized the entire convertible bonds and loan as financial liabilities.

4. ACQUISITIONS AND DISPOSALS

4.1 Acquisitions and disposals in 2011

Acquisition of additional interest in Sai Dong Land, an existing subsidiary

On 27 June 2011, the Group has made a step up acquisition by acquiring an additional 10% equity interest in Sai Dong Land, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 61%.

The cash consideration of this acquisition was VND212,000,000,000. The carrying value of the additional interest acquired was VND52,417,716,509. The difference of VND159,582,283,491 between the consideration paid and the carrying value of the additional interest acquired has been recognised as goodwill.

Acquisition of additional interest in Viettronics Land, an existing subsidiary

On 8 June 2011, the Group has made a step up acquisition by acquiring an additional 20% equity interest in Viettronics Land, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 84%.

The cash consideration of this transaction was VND150,000,000,000. The carrying value of the additional interest acquired was VND60,105,935,162. The difference of VND89,894,064,838 between the consideration paid and the carrying value of the additional interest acquired has been recognised as goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**4. ACQUISITIONS AND DISPOSALS (continued)****4.1 Acquisitions in 2011 (continued)***Acquisition of additional interest in Royal City, an existing subsidiary*

On 4 July 2011, the Group has made a step up acquisition by acquiring an additional 6.5% equity interest in Royal City, an existing subsidiary. The cash consideration of this acquisition was VND218,400,000,000. The carrying value of net assets of additional interest acquired was VND229,946,465,640. The difference of VND11,546,465,640 between the consideration paid and the carrying value of the additional interest acquired (negative goodwill) has been recognised as financial income in the consolidated income statement.

On 30 August 2011 and 6 December 2011, the Group respectively acquired an additional 15% and 3.63% equity interest in Royal City, and thereby, increasing its equity interest in this subsidiary to 77.11%. The cash consideration of these acquisitions was VND1,952,000,000,000. The carrying value of the additional interest acquired was VND689,292,237,821. The difference of VND1,262,707,762,179 between the consideration paid and the carrying value of the additional interest acquired has been recognised as goodwill.

Acquisition of additional equity interest in Hanoi South, an existing subsidiary

In June 2011, the Group has made a step up acquisition by acquiring an additional 1.05% equity interest in Hanoi South, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 53%. The cash consideration of this acquisition was VND42,000,000,000. The carrying value of the additional interest acquired was VND21,249,682,537. The difference of VND20,750,317,463 between the consideration paid and the carrying value of the additional interest acquired has been recognised as goodwill.

In December 2011, the Group, through its subsidiary, Sai Dong Land, acquired an additional 13.33% equity interest in Hanoi South, and thereby, increasing its equity interest in this subsidiary to 66.33%. The cash consideration of this acquisition was VND1,334,999,500,000, in which the Group's effective share is VND814,349,695,000. The carrying value of the additional interest acquired was VND163,714,285,945. The difference of VND650,635,409,055 between the consideration paid by the Group and the carrying value of the additional interest acquired has been recognised as goodwill.

4.2 Disposals in 2011*Disposal of entire equity interest in Vincom Securities JSC*

During the period from 2 March 2011 to 30 March 2011, the Group has fully disposed its 75% equity interest in Vincom Securities JSC, a subsidiary. A gain of VND4,785,668,228 was recognised in the consolidated income statement on the disposal date.

Disposal of equity interest in Viettronics Land

On 13 July 2011 and 20 July 2011, the Group has respectively disposed its 10% and 73% equity interest in Viettronics Land, an subsidiary, and thereby, reducing its equity interest in this company to 1%. A gain of VND 282,254,331,940 was recognised in the consolidated income statement on the disposal date.

Disposal of equity interest in Xavinco Land JSC

On 27 June 2011, the Group has disposed 56% equity interest in Xavinco Land JSC, a subsidiary, and thereby, reducing its equity interest in this company to 1%. A gain of VND159,323,449,321 was recognised in the consolidated income statement on the disposal date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

5. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	2,970,504,259	7,662,338,407
Cash at bank	653,273,454,363	814,021,638,085
Cash equivalents	575,484,631,218	693,325,000,000
	<u>1,231,728,589,840</u>	<u>1,515,008,976,492</u>

Cash equivalents include term deposit in VND with term of 1 week to 1 month and bearing an interest rate from of 6% to 14% per annum for VND (2010: 14% to 14.7% per annum for VND).

6. SHORT-TERM INVESTMENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loans to related parties (Note 36)	50,000,000,000	502,410,000,000
Short-term financial investments under trust investment contracts	1,030,000,000,000	-
Loans to others	638,557,330,809	1,404,009,943,518
Reclassification from other long-term loans (Note 17.2)	119,140,943,009	113,341,166,078
Short-term deposits	1,503,825,000,000	1,600,000,000,000
Short-term investments in securities	854,465,575,772	322,754,846,703
Total short-term investments	4,195,988,849,590	3,942,515,956,299
Provision for decline in value of short-term investments	(21,101,135,007)	(10,242,485,500)
TOTAL	<u>4,174,887,714,583</u>	<u>3,932,273,470,799</u>

Details of loans to related parties are disclosed in Note 36.

Short-term financial investments under trust investment contract comprises of trust investment contracts in which the Group will receive a fixed rate of return ranging from 14% to 18% of total contract value per annum. These trust investment contracts are not secured.

Loans to others include secured loans, of VND 300 billion, provided to the entities with the interest rate of 20.5% per annum. It also includes un-secured loan, of VND 388 billion, provided to the individuals and entities with the interest ranging from 18% per annum to 22% per annum.

Short-term deposits are deposits at banks and financial institutions with interest rate of 14% per annum.

Short-term investments in securities includes investments in shares of Vinpearl JSC. As at 31 December 2011, the Group held 19,950,929 shares of Vinpearl Joint Stock Company ("Vinpearl"). In accordance with the resolution of General Shareholders dated 15 November 2011, the shareholders approved the merger between the Company and Vinpearl and the merger process is expected to be completed in January 2012. Subsequently, in accordance with the Decision No. 182/2011/QĐ-SGDHCM issued by the Director of Hochiminh City Stock Exchange on 16 December 2011, Vinpearl shares have been de-listed from 26 December 2011 for the purpose of the merger with Vincom Joint Stock Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

6. SHORT-TERM INVESTMENTS (continued)

Consequently, the fair value of Vinpearl shares held by the Group as at 31 December 2011 of VND1,528,540,425,335 was determined based on the swap rate as approved by the General Shareholders of these two companies, i.e. 1 Vinpearl share will be swapped into 0.77 Vincom share, and based on the market value of Vincom share being traded on the stock exchange as of swap date. Upon the completion of the merger process in January 2012, these Vinpearl shares will be swapped into Vincom shares, and will be presented as treasury shares of the Group.

This merger was completed in January 2012 and the Vinpearl shares mentioned above was swapped into 15,362,215 Vincom shares and presented as treasury shares of the Group.

Short-term investments in securities also includes investments in DPM shares. As at 31 December 2011, the Group held 598,320 DPM shares. The provision for short-term investment is the difference between the carrying value and the market value of short-term investments in these securities as at 31 December 2011.

7. TRADE RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Receivables from transfer of inventory properties	1,026,679,316,473	2,778,179,118,839
Receivables from leasing properties and other services	70,244,744,917	226,895,192,848
TOTAL	1,096,924,061,390	3,005,074,311,687
<i>In which:</i>		
Trade receivables	258,724,061,390	2,605,627,558,066
Receivables from related parties (Note 36)	838,200,000,000	399,446,753,621

Receivables from sales of inventory properties as at 31 December 2011 mainly includes (i) receivables from sales of retail floor area and apartments at Vincom Center B – Hochiminh city to corporate customer and individuals and (ii) receivables from a related party from sale of properties on E3 land area at Vincom Village at Phuc Loi ward, Giang Bien, Long Bien district, Hanoi.

8. OTHER RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Receivables from disposals of investment	1,649,485,000,000	586,200,000,000
Interest receivables	232,717,060,018	433,186,377,399
Dividend receivables	89,961,451,246	-
Other receivables	27,712,984,395	13,850,362,840
	1,999,876,495,659	1,033,236,740,239
<i>In which:</i>		
Other receivables	1,878,624,371,075	375,163,105,605
Other receivables from related parties (Note 36)	121,252,124,584	658,073,634,634

Receivables from disposals of investment derived from the disposals of 29.4% shares of Ecology Investment and Development JSC to individuals in October and December 2011. These receivables have payment term of 180 days from transaction completion dates.

Interest receivables mainly generated from term deposits at financial institutions and other loans as presented in Note 6 and Note 17.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

9. INVENTORIES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Completed inventory properties	99,035,611,908	209,754,922,968
Inventory properties under construction	9,179,144,455,054	2,053,646,285,524
Raw materials	17,294,991,666	72,954,047
Tools and supplies	227,331,988	695,596,625
	<u>9,295,702,390,616</u>	<u>2,264,169,759,164</u>
Provision for obsolete inventories	(13,299,817,444)	-
Net value of inventories	<u>9,282,402,573,172</u>	<u>2,264,169,759,164</u>

Completed inventory properties represent costs of residential apartment units at Vincom Center B in Hochiminh city, which have been completed and ready for sale, costs of other apartments units acquired for re-sale, and costs of land use rights in An Vien Eco Tourist project (located in Vinh Nguyen and Vinh Truong wards, Nha Trang City, Khanh Hoa province) which are held for sale. Provision for inventories represent the difference between the net realizable value of apartment units acquired for re-sale and its costs as at 31 December 2011.

Inventory properties under construction represent costs of residential apartment units and housing units at Royal City, Vincom Village and Times City projects, which are still under development as at 31 December 2011.

In accordance with the agreement dated 21 May 2009, Vincom JSC agreed to provide guarantee for the VND500 billion bond issued by Sinh Thai Investment and Development JSC ("Sinh Thai") for the development of Green City, which is a real estate project in Hochiminh city. Subsequently, on 11 June 2009, the Company has pledged the land use rights of the land parcels owned by the Company in An Vien Eco Tourist project and the related assets on the land (including the future assets to be formed on the land) as guarantee for the bonds raised by Sinh Thai.

10. SHORT-TERM PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Convertible loan issue costs	16,922,360,834	-
Others	25,158,931,468	19,623,595,664
	<u>42,081,292,302</u>	<u>19,623,595,664</u>

11. OTHER CURRENT ASSETS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to employees	4,724,347,426	1,314,823,257
Short-term deposits	17,040,693,207	1,159,046,750
	<u>21,765,040,633</u>	<u>2,473,870,007</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

12. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Motor vehicles	Office equipment	Other	Total
Cost:						
Beginning balance	85,676,322,606	55,069,330,881	16,256,854,650	33,541,389,057	1,686,455,184	192,230,352,378
Increases	885,481,795,684	835,628,799,941	24,045,550,068	6,082,470,178	-	1,751,238,615,871
<i>In which:</i>						
Newly purchased	511,355,131	821,802,172,819	24,045,550,068	6,082,470,178	-	852,441,548,196
Newly constructed	884,701,633,251	1,921,288,812	-	-	-	886,622,922,063
Other additions	268,807,302	11,905,338,310	-	-	-	12,174,145,612
Decreases	(77,314,874,865)	(54,882,419,061)	(2,212,902,306)	(7,657,091,169)	(1,517,751,060)	(143,585,038,461)
<i>In which:</i>						
Reclassification to inventories	(75,236,784,412)	-	-	-	-	(75,236,784,412)
Sold, disposed	-	(46,614,168,730)	-	(176,305,924)	-	(46,790,474,654)
Disposal of subsidiaries	-	(7,369,130,741)	(1,636,185,454)	(5,296,331,282)	(1,517,751,060)	(15,819,398,537)
Other reduction	(2,078,090,453)	(899,119,590)	(576,716,852)	(2,184,453,963)	-	(5,738,380,858)
Ending balance	893,843,243,425	835,815,711,761	38,089,502,412	31,966,768,066	168,704,124	1,799,883,929,788
Accumulated depreciation:						
Beginning balance	878,787,881	8,967,970,916	6,445,544,566	11,188,960,461	1,062,870,516	28,544,134,340
Additions	974,247,743	4,505,926,623	2,361,512,989	4,489,451,300	3,501,688	12,334,640,343
Decreases	(1,303,822,296)	(7,700,482,975)	(134,242,055)	(3,477,973,308)	(955,330,077)	(13,571,850,711)
<i>In which:</i>						
Reclassify in inventories	(1,303,822,296)	-	-	-	-	(1,303,822,296)
Sold, disposed	-	(3,048,507,767)	-	-	-	(3,048,507,767)
Disposal of subsidiaries	-	(4,651,975,208)	(134,242,055)	(3,308,468,406)	(955,330,077)	(9,050,015,746)
Other decreases	-	-	-	(169,504,902)	-	(169,504,902)
Ending balance	549,213,328	5,773,414,564	8,672,815,500	12,200,438,453	111,042,127	27,306,923,972
Net carrying amount:						
Beginning balance	84,797,534,725	46,101,359,965	9,811,310,084	22,352,428,596	623,584,668	163,686,218,038
Ending balance	893,294,030,097	830,042,297,197	29,416,686,912	19,766,329,613	57,661,997	1,772,577,005,816

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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12. TANGIBLE FIXED ASSETS (continued)

Property and equipment increase in 2011 is mainly costs of buildings, machineries and equipments of Vinmec International Hospital, a branch of Hanoi South, a subsidiary. This hospital was established on 26 December 2011 and located at No. 458, Minh Khai street, Vinh Tuy ward, Hai Ba Trung district, Hanoi. Its principal activities are to provide hospital services, sales of cosmetics and medical products, health machineries, tools and equipments and other activities as stated in the branch's business licence.

13. INTANGIBLE FIXED ASSETS

	Currency: VND		
	Computer software	Land rental right	Total
Cost:			
Beginning balance	11,805,208,517	184,938,875,055	196,744,083,572
Additions	5,734,850,940	-	5,734,850,940
<i>In which:</i>			
<i>Newly purchased</i>	5,734,850,940	-	5,734,850,940
Decreases	(6,827,195,365)	-	(6,827,195,365)
<i>In which:</i>			
<i>Sold, disposed</i>	(906,610,387)	-	(906,610,387)
<i>Other decreases</i>	(5,920,584,978)	-	(5,920,584,978)
Ending balance	<u>10,712,864,092</u>	<u>184,938,875,055</u>	<u>195,651,739,147</u>
Accumulated amortisation:			
Beginning balance	3,968,099,654	13,233,370,276	17,201,469,930
Additions	1,686,577,454	9,217,901,051	10,904,478,505
Decreases	(1,861,710,912)	-	(1,861,710,912)
Ending balance	<u>3,792,966,196</u>	<u>22,451,271,327</u>	<u>26,244,237,523</u>
Net carrying amount:			
Beginning balance	<u>7,837,108,863</u>	<u>171,705,504,779</u>	<u>179,542,613,642</u>
Ending balance	<u>6,919,897,896</u>	<u>162,487,603,728</u>	<u>169,407,501,624</u>

Land rental rights represents the right to lease a land area of 9,125 square meters for a period of 30 years (from 1999 to 2029) of Hai Phong Land, a subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

14. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Vincom Center A project	2,324,358,781,337	1,449,372,526,342
Times City project	543,290,422,846	447,282,464,580
Royal City project	1,289,221,745,407	878,757,821,734
Vincom Village project	352,345,951,494	1,407,650,122,496
Vincom Hai Phong project	11,787,651,507	10,159,485,630
Ho Tay project	43,439,922,545	42,043,914,545
Xavinco project	-	103,104,833,409
Viettronics project	-	30,250,000,000
Others	2,513,852,144	2,535,852,051
	<u>4,566,958,327,280</u>	<u>4,371,157,020,787</u>

Capital expenditures for the Vincom Center A – Hochiminh city project includes construction costs, land compensation and site clearance costs, which is a commercial centre, hotel and underground car park complex. This project is located at the current Eden area (surrounded by Dong Khoi, Le Thanh Ton, Nguyen Hue and Le Loi street). The Company is also working with the local authority of Hochiminh city to determine the land use fee applicable to the land of this project.

Times City project is an office, apartment and other support facilities complex located at the 460 Minh Khai street, Hai Ba Trung district, Hanoi. This project is developed by Hanoi South, a subsidiary.

Royal City project is an office, apartment and other support facilities complex located at the 74 Nguyen Trai street, Thanh Xuan district, Hanoi. This project is developed by Royal City, a subsidiary.

Vincom Village project is a complex of villas, apartments, schools, hospitals and other commercial areas at Sai Dong ward, Long Bien district, Hanoi. This project is developed by Sai Dong Land, a subsidiary.

Construction costs incurred for inventory properties for sale are presented in Note 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

15. INVESTMENT PROPERTIES

Currency: VND

	<i>Land use rights</i>	<i>Buildings and structures</i>	<i>Machineries & equipment</i>	<i>Total</i>
Cost:				
Beginning balance	1,215,844,638,656	2,220,065,284,736	327,510,214,408	3,763,420,137,800
Additions	500,636,364	424,205,292,708	9,324,062,423	434,029,991,495
Decreases	<u>(42,282,047)</u>	<u>(9,182,443,117)</u>	<u>(6,640,072,009)</u>	<u>(15,864,797,173)</u>
Ending balance	<u>1,216,302,992,973</u>	<u>2,635,088,134,327</u>	<u>330,194,204,822</u>	<u>4,181,585,332,122</u>
Accumulated depreciation:				
Beginning balance	13,278,334,483	41,120,736,365	62,277,443,019	116,676,513,867
Additions	23,463,736,268	46,922,597,150	34,219,609,852	104,605,943,270
Decreases	<u>(519,538)</u>	<u>-</u>	<u>(372,749,979)</u>	<u>(373,269,517)</u>
Ending balance	<u>36,741,551,213</u>	<u>88,043,333,515</u>	<u>96,124,302,892</u>	<u>220,909,187,620</u>
Net carrying amount:				
Beginning balance	<u>1,202,566,304,173</u>	<u>2,178,944,548,371</u>	<u>265,232,771,389</u>	<u>3,646,743,623,933</u>
Ending balance	<u>1,179,561,441,760</u>	<u>2,547,044,800,812</u>	<u>234,069,901,930</u>	<u>3,960,676,144,502</u>

Investment properties as at 31 December 2011 includes:

- ▶ Land use right and assets on the land of Vincom Center Hanoi – Tower B at No. 191, Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi. This investment property is used as a pledge for the bonds issued to Vietnam Maritime Commercial Joint Stock Bank (see Note 26.2);
- ▶ Land use right and assets on the land of Vincom Center Hanoi – Tower C at No. 114 Mai Hac De street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi;
- ▶ Land use right and assets on the land of Vincom Center B - Hochiminh City at 72 Le Thanh Ton street, Ben Nghe precinct, district 1, Hochiminh city. This investment property is used as a pledge for the bonds issued to Bank for Investment and Development of Vietnam - Quang Trung branch (see Note 26.1);
- ▶ Land use right and assets on the land of Vincom Center Long Bien at Phuc Loi precinct, Long Bien district. This investment property is used as a pledge for the bonds issued to Vietnam Joint Stock Commercial Bank for Industry and Trade (see Note 26.1);

Market value as at 31 December 2011 of the Group's investment properties as determined by an independent valuer is as follows:

- ▶ Vincom Center Hanoi - Tower B building (office and retail area): USD115,000,000;
- ▶ Vincom Center Hanoi - Tower C building (retail area only): USD42,000,000;
- ▶ Vincom Center B – Hochiminh city (office and retail area): USD484,000,000;
- ▶ Vincom Center Long Bien: USD31,565,831.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

15. INVESTMENT PROPERTIES (continued)

In December 2011, the Company made an announcement of the plan to transfer the office property at Vincom Center Hanoi – Tower B to Vietnam Technological and Commercial Joint Stock Bank – Asset Management Company Limited (“Techcombank AMC Co., Ltd”). As at 31 December 2011, the office property at Vincom Center Hanoi – Tower B is still presented as a completed investment property in the consolidated statement of financial position. On 8 February 2012, the Company and AMC-Techcombank signed an agreement on the transfer of this property.

16. CAPITALIZED BORROWING COSTS

During the year, the Group capitalized borrowing costs amounting to VND901.2 billion (2010: VND755.2 billion). These costs relate to general borrowings to finance the construction of the Vincom Center A - Hochiminh city, Times City, Royal City, Vincom Village projects and other real estate projects. The interest rate used to determine the amount of borrowing costs eligible for capitalisation in 2011 was 17.75% (2010: 13.42%), which is the weighted average of the borrowings of the Group that are outstanding during the year.

17. LONG-TERM INVESTMENTS

		<i>Currency: VND</i>	
	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Investment in associates	17.1	868,978,280,751	3,295,920,940,246
Other long-term investments	17.2	<u>1,200,263,995,418</u>	<u>447,199,798,748</u>
Total long term investments		2,069,242,276,169	3,743,120,738,994
Provision for other long-term investments		-	(1,362,527,211)
		<u>2,069,242,276,169</u>	<u>3,741,758,211,783</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

17. LONG-TERM INVESTMENTS (continued)

17.1. Investment into associates

	Vietnam Tourism	Vinpearl Hoi An	CFT	Ecology	Green City	Thang Long	Total
As at 31 December 2011	39,986,952,728	138,493,440,538	12,174,457,006	2,602,053,973,281	485,708,545,468	17,503,571,225	3,295,920,940,246
Investment during the year	-	-	-	-	300,000,000,000	-	300,000,000,000
Share of profit/(loss) from associates	4,421,468,169	55,555,556	1,241,914,472	159,099,337,036	32,068,911,013	754,240,402	197,641,426,648
Disposal in the year	-	(137,242,759,902)	-	(1,657,753,238,254)	-	-	(1,794,995,998,156)
Reclassification into other long-term investments (Note 17.2)	-	-	-	(878,496,443,945)	-	-	(878,496,443,945)
Dividends declared	(24,881,779,732)	-	-	(224,903,628,118)	-	-	(249,785,407,850)
Amortization of goodwill	-	(1,306,236,192)	-	-	-	-	(1,306,236,192)
As at 31 December 2011	19,526,641,165	-	13,416,371,478	-	817,777,456,481	18,257,811,627	868,978,280,751

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

17. LONG-TERM INVESTMENTS (continued)

17.1. Investment into associates (continued)

	Vinpearl Hoi An	Vietnam Tourism	CFT	Ecology	Green City	Ngoc Viet	Thang Long	Others (*)	Total
As at 1 January 2010	229,017,602,499	80,388,188,407	11,110,460,329	-	-	165,417,681,879	-	370,998,593,956	856,932,527,070
Investment during the year	-	-	-	839,300,000,000	480,000,000,000	30,000,000,000	-	147,993,754,679	1,497,293,754,679
Transfer from other long-term investments	-	-	-	-	-	-	17,500,000,000	-	17,500,000,000
Transferred from investment in subsidiary upon loss of control	-	-	-	-	-	-	-	-	-
Increase upon Ecology merger	-	-	-	1,674,559,586,506	-	(197,789,188,973)	-	-	1,476,770,397,533
Disposed during the year	(79,738,285,801)	-	-	-	-	-	-	(997,246,966,060)	(1,076,985,251,861)
Liquidated during the year	-	-	-	-	-	-	-	(68,219,160,224)	(68,219,160,224)
Amortization of goodwill	(7,837,417,152)	-	-	-	-	(1,244,455,321)	-	(2,320,870,401)	(11,402,742,874)
Share of profit/(loss) from associates	(2,948,459,008)	(40,401,235,679)	1,063,996,677	88,194,386,775	5,708,545,468	3,615,962,415	3,571,225	17,911,734,323	73,148,502,196
As at 31 December 2010	138,493,440,538	39,986,952,728	12,174,457,006	2,602,053,973,281	485,708,545,468	-	17,503,571,225	-	3,295,920,940,246

(*): comprises investments in associates that were either disposed or dissolved in 2010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**17. LONG-TERM INVESTMENTS (continued)****17.1. Investment into associates (continued)****(i) Vietnam Tourism Joint Stock Company in Hochiminh City ("Vietnam Tourism")**

Vietnam Tourism is previously a state-owned company which was privatised in early 2007 in accordance with Business Licence No. 4103006768 dated 18 May 2007 with a chartered capital of VND 31,500,000,000. Its principal activities are to lease an office building and undertake tourism services. Vietnam Tourism's head office is located in 234 Nam Ky Khoi Nghia, district 3, Hochiminh city, Vietnam. The Company holds 21% voting rights in this associate at 31 December 2011.

(ii) Vinpearl Hoi An Joint Stock Company ("Vinpearl Hoi An")

Vinpearl Hoi An is a joint stock company established in accordance with Business License No. 3303070380 dated 1 April 2008, and the second amended business license dated 27 August 2008, with a registered chartered capital of VND 300 billion. Its principal activities are to operate a hotel and provide related services. The registered office address of this company is at Phuoc Hai, Cua Dai commune, Hoi An, Quang Nam province. The Company's voting rights in this associate is 24% at 31 December 2010.

In March 2011, the Group completed the disposal of 24% equity interest in Vinpearl Hoi An to Vinpearl Joint Stock Company ("Vinpearl"). The disposal is effected through a share swap whereby the Group received 1 Vinpearl share for every 2.59 Vinpearl Hoi An shares held by the Group.

(iii) Foreign Trade Concrete JSC ("CFT")

CFT is established in accordance with Business License No. 4102063302 dated 11 July 2008, and the first amendment dated 28 October 2008, with a registered chartered capital of VND 30 billion. Its principal activities are to produce and wholesale of concrete products, carry out civil and industrial construction, construct railway, highway and other businesses. The registered office address of this company is at the 1st floor, 35-37 Chuong Duong port, Nguyen Thai Binh ward, district 1, Hochiminh city, Vietnam. The Group holds 30% voting rights in this associate at 31 December 2011.

(iv) Ecology Developing and Investment JSC ("Ecology")

Ecology is a joint stock company established in accordance with Business License No. 0900222333 issued by Hung Yen's Department of Planning and Investment on 31 March 2008, and the 7th amendment on 20 December 2010, with a registered chartered capital of VND 4,410 billion. Its principal activities are to trade real estates and other activities. The registered office address of this company is at K6+200 Highway 39A Yen My town, Yen My district, Hung Yen. The Group's voting rights in this associate is 44.98% at 31 December 2010.

In October and December 2011, the Group completed the disposal of 29.4% equity interest in Ecology and thereby reduced the equity interest of the Group in this entity to 15.58%. The Group consequently lost significant influence in this entity and the remaining investment in Ecology is presented as other long-term investments (Note 17.2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

17. LONG-TERM INVESTMENTS (continued)

17.1. Investment into associates (continued)

(v) *Green City Development JSC ("Green City")*

Green City Development Joint Stock Company is a joint stock company established in accordance with Business License No.4103008366 issued by Hochiminh's Department of Planning and Investment on 16 September 2010, with a registered chartered capital of VND 1,000 billion. Its principal business activities are to trade real estates and other activities. The registered office address of this company is at 72 Le Thanh Ton, Ben Nghe Precinct, district 1, Hochiminh City. On 17 June 2011, the Group acquired an additional 20% share in this associate and thereby, increasing its voting rights in this company to 44% as at 31 December 2011.

(vi) *Thang Long Real Estate Trading Investment JSC ("Thang Long")*

Thang Long is a joint stock company established in accordance with Business License No. 0104782591 issued by Hanoi Department of Planning and Investment on 30 June 2010, with a registered chartered capital of VND 50 billion. Its principal business activities are to trade real estate properties including office department, service and trade centre and flats. As at 31 December 2011, the Group holds 35% voting rights in this associate.

17.2. Other long-term investments

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<i>Long-term loans</i>		
Loan to Hanoi Electronics Corporation	100,000,000,000	150,000,000,000
Loan to Thai Kieu Company Limited	101,782,683,298	175,713,314,985
Loan to Mai Son Joint Stock Company	60,011,909,214	81,323,178,567
Loan to Global Link Company Limited	51,687,634,911	51,687,634,911
Current portion of long-term loans (Note 6)	<u>(119,140,943,009)</u>	<u>(113,341,166,078)</u>
	194,341,284,414	345,382,962,385
<i>Investment into shares of unlisted companies</i>		
Investment in Dong Da Electronics JSC	42,820,138,903	26,460,980,000
Investment in Thanh Nien Media JSC	12,400,000,000	12,400,000,000
Investment in 8/3 Investment JSC	3,000,000,000	3,000,000,000
Investment in Ecology (Note 17.1)	878,496,443,945	-
Investment in Tay Tang Long Real Estate JSC	635,000,000	635,000,000
Investment in Xavinco	2,854,938,405	-
Investment in Viettronics Land	3,016,278,843	-
	<u>943,222,800,096</u>	<u>42,495,980,000</u>
<i>Other long-term investments</i>		
Investment in Nguyen Van Huyen project	54,000,000,000	54,000,000,000
Investment in Hoang Cau project	8,699,910,908	5,320,856,363
	<u>62,699,910,908</u>	<u>59,320,856,363</u>
Total	<u>1,200,263,995,418</u>	<u>447,199,798,748</u>
Provision for long-term investments	-	(1,362,527,211)
	<u>1,200,263,995,418</u>	<u>445,837,271,537</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

17. LONG-TERM INVESTMENTS (continued)

17.2. *Other long-term investments* (continued)

Long-term loans

Loan to Hanoi Electronics Corporation ("Hanel") is provided to Hanel for its capital contribution to Sai Dong Urban Development and Investment JSC. This loan has terms of 5 years and earns interest rate of 14% per annum.

Long-term loans to Thai Kieu Company Limited, Mai Son JSC and Global Link Company Limited are provided to these entities, which are also retail tenants at various properties owned by the Group. These loans have terms ranging from 1 to 4 years and interest rates ranging from 12.5% per annum to 15% per annum and will be revised based on the lending interest rate offered by the Bank for Investment and Development of Vietnam. As at 31 December 2011, a portion of these loans are also reclassified to short-term investments.

The loan to Thai Kieu Company Limited is secured by 30% chartered capital owned by Mr. Thai Phi Diep in Viet Thai International Joint Stock Company as per the Pledge contract No. 2010/HDCC dated 8 February 2010 and the Appendix dated 12 May 2010, and the Certificate of share ownership No. 01/2008 and 01-2/2008, and by 100% chartered capital owned by Viet Thai International Joint Stock Company in Thai Kieu Company Limited under the Certificate of share ownership No. 01/GCN.

The loan to Global Link Company Limited is secured by at least 49% of the chartered capital in Global Link Company Limited, equivalent to VND13,688,036,077. These collaterals have been guaranteed by Ms Tran Thi Hoai Anh under an agreement signed between three (3) parties on 20 December 2009.

The loans to Mai Son JSC are secured by 2 million Mai Son shares owned by Mr. Trinh Xuan Vy and Ms. Pham Thi Mai Son in accordance with the Pledge contract No. 01CC/MS-HD dated 11 December 2009.

Investment in unlisted shares and other long-term investments

As at 31 December 2011, the Group has investment into unquoted shares of Dong Da Electronics JSC, Thanh Nien Media JSC, 8/3 Investment JSC and Tay Tang Long Real Estate JSC with 3.87%, 19.95%, 10% and 10% voting rights respectively.

In addition, the Group also has long-term investments in other potential estate projects in Hoang Cau and Nguyen Van Huyen street. These investments will be converted to shares of the entities that will be established to develop these projects in the future, or will be reimbursed to the Company should the projects be cancelled or withdrawn.

18. LONG-TERM PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bond issue costs	38,549,822,764	129,629,614,106
Prepaid land rentals	109,740,014,614	112,182,784,078
Commission fees	279,874,424,972	51,888,789,681
Mock house	15,503,868,738	7,536,509,392
Corporate income tax prepayment	179,475,800,316	18,549,500,165
Other long-term prepaid expenses	27,554,981,671	25,302,023,179
Total	650,698,913,075	345,089,220,601

Vincom Joint Stock Company

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at and for the year ended 31 December 2011

19. GOODWILL

	Goodwill on acquisition of Hanoi South	Goodwill on acquisition of PFV	Goodwill on acquisition of Vincom Securities	Goodwill on acquisition of Sai Dong	Goodwill on acquisition of Viettronics Land	Goodwill on acquisition of Royal City	Total
Currency: VND							
Cost:							
Beginning balance	166,599,625,220	131,725,993,204	309,644,225	-	-	-	298,635,262,649
Additions	671,385,726,518	-	-	159,582,283,491	89,894,064,838	1,262,707,762,179	2,183,569,837,026
Ending balance	-	-	(309,644,225)	-	(89,894,064,838)	-	(90,203,709,063)
Ending balance	837,985,351,738	131,725,993,204	-	159,582,283,491	-	1,262,707,762,179	2,392,001,390,612
Accumulated amortisation:							
Beginning balance	1,131,104,542	54,581,286,792	46,446,634	-	-	-	55,758,847,968
Amortization	19,594,018,536	10,285,959,522	5,160,736	8,110,277,695	-	33,476,635,655	71,472,052,144
Sold, disposed	-	-	(51,607,370)	-	-	-	(51,607,370)
Ending balance	20,725,123,078	64,867,256,314	-	8,110,277,695	-	33,476,635,655	127,179,292,742
Net carrying amount:							
Beginning balance	165,468,520,678	77,144,696,412	263,197,591	-	-	-	242,876,414,681
Ending balance	817,260,228,660	66,858,736,890	-	151,472,005,796	-	1,229,231,126,524	2,264,822,097,870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

20. SHORT-TERM LOANS

	Currency: VND	
	Ending balance	Beginning balance
	VND	VND
Convertible loan (*)	833,120,000,000	-
Short-term loan from Dai A Joint Stock Bank	-	94,200,000,000
Current portion of long-term loans and debts	3,740,789,124,311	171,754,090,034
<i>Bond issuance (Note 26.2)</i>	2,450,000,000,000	-
<i>Loans from Bank for Investment and Development of Vietnam (Note 26.1)</i>	219,889,124,311	171,754,090,034
<i>Loans from Vinpearl JSC (Note 26.1)</i>	1,070,900,000,000	-
Other short-term loans (**)	51,393,317,845	28,366,500,000
	4,625,302,442,156	294,320,590,034
<i>In which</i>		
<i>Short-term loans</i>	3,554,402,442,156	294,320,590,034
<i>Short-term loans from related parties (Note 36)</i>	1,070,900,000,000	-

(*) Convertible loan is loan from Credit Suisse International which can be converted into ordinary shares of the Company amounting to US\$40,000,000 issued on 12 July 2011. This loan has interest rate of 6% per annum and term of 11 months.

(**) Including short-term loans from Property management board of Vincom Center Hanoi – Tower C with an amount of VND32,591,481,001 (interest rate of 14% per annum); from Overseas Vietnamese Entrepreneur JSC with amount of VND7,000,000,000 (interest rate of 18% per annum) and from other individuals with amount of VND11,801,836,844 (interest rate of 2% per annum).

21. ADVANCE FROM CUSTOMERS

	Currency:	
	Ending balance	Beginning balance
	VND	
Downpayment from customers at Royal City project	5,244,202,898,612	928,363,072,297
Downpayment from customers at Times City project	2,491,500,063,914	-
Advance from sub-developers under Business Co-operation Contracts at Vincom Village project	4,293,472,692,059	-
Others	15,546,005,745	3,359,957,436
	12,044,721,660,330	931,723,029,733
<i>In which:</i>		
<i>Advance from customers</i>	12,018,952,976,341	928,881,875,811
<i>Advance from related parties (Note 36)</i>	25,768,683,989	2,841,153,922

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

22. STATUTORY OBLIGATIONS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax (Note 35.1)	211,982,169,448	695,553,737,318
Value added tax payable	76,779,430,139	309,987,174,932
Personal income tax	3,889,695,336	975,459,959
Others	16,535,369,524	134,259,226
	<u>309,186,664,447</u>	<u>1,006,650,631,435</u>

23. ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Accrued bond and loan interests	568,864,039,182	370,743,439,148
Accrued construction costs	1,248,285,918,261	122,508,534,020
Accrual for severance allowance	2,158,436,757	2,212,524,280
Other accrued expenses	54,214,739,396	41,872,868,756
	<u>1,873,523,133,596</u>	<u>537,337,366,204</u>
<i>In which:</i>		
<i>Other accrued expenses</i>	1,792,542,136,264	536,744,686,204
<i>Accrued expenses to related parties (Note 36)</i>	80,980,997,332	592,680,000

24. OTHER SHORT-TERM PAYABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payables for investment activities (*)	68,279,000,000	90,000,000,000
Dividends to shareholders	71,246,439,635	-
Payables for share acquisitions (**)	499,748,500,000	-
Downpayment from customers under loan agreements at Royal City Project (***)	557,634,214,550	2,183,325,784,959
Downpayment from customer under loan agreements Times City Project (***)	921,177,159,251	-
Maintenance fund held on behalf of apartment tenants	-	32,509,700,339
Deferred revenue to be realised within the next 12 months (Note 25)	27,812,011,659	26,857,741,555
Deposits from tenants to be refunded within the next 12 months (Note 25)	41,051,435,745	13,523,430,617
Social insurance payables	3,593,211,440	654,499,688
Other payables	18,552,237,066	10,153,327,745
	<u>2,209,094,209,346</u>	<u>2,357,024,484,903</u>
Total		
<i>In which:</i>		
<i>Other short-term payables</i>	2,200,813,052,880	2,347,421,517,146
<i>Other short-term payables to related parties (Note 36)</i>	8,281,156,466	9,602,967,757

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as at and for the year ended 31 December 2011

24. OTHER PAYABLES (continued)

- (*) Payables for investment activities represents deposit from third parties for the acquisition of the investment in Ho Tay and Viettronics Land.
- (**) Payables for share acquisitions represents payables from acquisition of additional shares in Hanoi South (Note 4).
- (***) Downpayment from customers under loan agreements are amounts collected under the loan agreements with customers at the Royal City project and the Times City project.

25. OTHER LONG-TERM LIABILITIES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Deferred revenue	29,453,827,284	28,407,969,180
Deferred revenue to be realised within the next 12 months (Note 24)	<u>(27,812,011,659)</u>	<u>(26,857,741,555)</u>
	1,641,815,625	1,550,227,625
Deposits from tenants	239,675,828,179	144,852,818,383
Deposits from tenants to be refunded within the next 12 months (Note 24)	<u>(41,051,435,745)</u>	<u>(13,523,430,617)</u>
	198,624,392,434	131,329,387,766
Other long term liabilities	-	448,500
	<u>200,266,208,059</u>	<u>132,880,063,891</u>

26. LONG-TERM LOANS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loans from banks	2,204,883,152,851	1,202,278,630,241
Loans from Vinpearl JSC	-	1,809,400,000,000
Loans from Ecology Developing and Investment JSC	3,895,076,833	1,406,000,000,000
Corporate bonds	<u>3,200,000,000,000</u>	<u>6,772,667,600,000</u>
	<u>5,408,778,229,684</u>	<u>11,190,346,230,241</u>

Long-term loans were obtained for funding the development of the Group's real estate project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

26. LONG-TERM LOANS (continued)

26.1 Long-term loans

Currency: VND

Lender	Ending balance	Maturity	Maturity date (% per annum)	Interest rate	Collateral
Bank for Investment and Development of Vietnam – Quang Trung Branch ("BIDV")	1,134,350,212,547	72 months from the date of first loan	20/1/2015	Reference rate + 4.5%/year, and not greater than lending rate quoted by State Bank of Vietnam and BIDV	<ul style="list-style-type: none"> ▶ Land use rights and assets to be formed on the land area at 66-68-70-72 Le Thanh Ton, Ben Nghe, district 1, Hochiminh city. ▶ Machines, equipments, vehicles, and other properties directly relating to the Project.
Less: Current portion (Note 20)	(219,889,124,311)				
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	1,290,422,064,615	84 months from contract date	10/11/2018	Reference rate + 5.5%/year, and not greater than lending rate quoted by State Bank of Vietnam and Vietinbank	<ul style="list-style-type: none"> ▶ 60% of construction works at Vincom Village project (except assets on the E3 land area and villa area) owned by the Company ▶ Assets on the E3 land area at Vincom Village project owned by Vietnam Investment Group JSC, Vietnam Investment Group JSC will complete necessary procedures to pledge these to Vietinbank ▶ 60% of land use right of 145 ha at Vincom Village project (equivalent to total land area of Vincom Village project after excluding villa area) ▶ 60% of movable properties sourced from the project's expenditures ▶ 60% of rights retained to assets, benefits, compensations and others relating to Vincom Village project in the present and future
Vinpearl JSC	1,070,900,000,000	36 months from contract date	24/9/2012	First year is 13.2%. Following year to 24 September 2012: average of 3 year bond and 5 year bond as noticed by Bank for Industry and Trade + 1%	▶ No collateral
Less: Current portion (Note 20)	(1,070,900,000,000)				
Ecology JSC	3,895,076,833	36 months from contract date	23/11/2013	First year is 16.78%. Following year to 23 November 2013: average of 12 months time deposit as noticed by Bank for Industry and Trade + 5.78%	▶ No collateral

2,208,778,229,684

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

26. LONG-TERM LOANS (Continued)

26.2 Corporate bonds

As at 31 December 2011, the Company has the following bonds:

- ▶ The first bond has a face value of VND 1,000,000,000,000, unsecured, with a maturity date of 22 October 2012 and bears coupon rate of 10.3% per annum. This bond is presented in short-term loans (Note 20);
- ▶ The second bond has a face value of VND 2,000,000,000,000, unsecured, with a maturity date of 6 May 2013, bears interest rate which will be revised on an annual basis, equal to at the average 1-year savings account interest rates of four banks namely: Agribank, Vietcombank, BIDV and Vietinbank, plus 4% (for the year 2011: 15.4% per annum and 17.875% per annum);
- ▶ The third bond has a face value of VND 1,000,000,000,000 issued on 18 December 2009, with a term of three years. This bond bears interest rate which will be revised on an annual basis, equal to at the average 1-year saving rate of Maritime Joint Stock Bank (MSB), plus 4% (for the year 2011: 18% per annum, 26% per annum and 22% per annum). This bond is secured by (i) the land use right and the assets on the land of Vincom Center Hanoi - Tower B located at No. 191, Ba Trieu street, Hanoi; (ii) 2.8 million Vincom shares owned by related individuals; (iii) 12.7 million shares of Vinpearl JSC ("VPL") owned by Vietnam Investment Group JSC ("Vingroup JSC"), an entity that is under common owners with the Company and 4.3 million VPL shares owned by Ecology Developing and Investment JSC, an entity under common control with the Company. This bond is presented in short-term loans (Note 20);
- ▶ The fourth bond has a face value of VND 1,000,000,000,000, issued on 11 May 2010 with a term of five years. This bond bears interest rate which will be revised on an semi-annual basis, equal to the average 1-year savings account rate of Vietnam Joint Stock Commercial Bank for Industry and Trade - Hanoi branch ("Vietinbank") + 5.5% (for the year 2011: 16% per annum and 19.5% per annum). The Company is under an obligation to submit the land use right certificate for the "Hotel - Office - Basement complex at Eden quadrangle" project as pledge asset for this bond within nine months since the issue date, 11 May 2010. Such deadline was then extended to 12 August 2012 by Vietinbank;
- ▶ The fifth bond has a face value of VND 650 billion (in which VND 300 billion, VND 150 billion and VND 200 billion were issued on 9 September 2009, 26 October 2009 and 29 April 2010 respectively), with a term of three years from issue date. This bond bears interest rate which will be revised on an annual basis, equal to at the average 1-year saving rates of four banks, Agribank, Vietcombank, BIDV and Vietinbank + 4% (for the year 2011: the bonds of VND 300 billion and VND 150 billions: 15.2% per annum and 18% per annum, the bond of VND 200 billion: 17.875% per annum). This bond is secured by the land use right and the assets on the land owned by Sun City JSC located at No. 13, Hai Ba Trung street, Trang Tien ward, Hoan Kiem district, Hanoi. A portion of this bond amounting to VND450 billion is presented in short-term loans (Note 20);

Convertible bonds issued in December 2009

During the year, the bondholders have converted US\$59,200,000 bonds into 18,524,656 ordinary shares of the Company at the exercise price of VND60,000/share. The outstanding balance of the bonds of US\$100,000 was also redeemed by the Company on 6 June 2011.

The Group issued these bonds to meet capital expenditure requirements for Group's real estate development projects.

Vincom Joint Stock Company

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as at and for the year ended 31 December 2011

27. OWNERS' EQUITY

27.1 Increase and decrease in owners' equity

	Contributed capital chartered	Share premium	Treasury shares	Supplementary capital reserve fund	Financial reserve fund	Foreign exchange differences	Undistributed earnings	Total
<i>Previous year</i>								
Beginning balance	1,996,272,380,000	773,354,590,000	(1,898,164,733,713)	1,762,837,618	1,762,837,618	(11,706,526,412)	1,203,661,666,297	2,066,943,051,408
Increase during the year	1,729,979,990,000	730,801,641,287	-	-	1,000,000,000	-	(1,000,000,000)	2,460,781,631,287
Reissuance of treasury share	-	285,308,753,711	884,630,498,487	-	-	-	-	1,169,939,252,198
Purchase of treasury shares	-	-	(415,507,827,900)	-	-	-	-	(415,507,827,900)
Increase treasury shares from business combination	-	-	708,842,647,138	-	-	-	-	708,842,647,138
Decrease from disposal of subsidiaries	-	(267,205,542,775)	-	-	-	-	-	(267,205,542,775)
Foreign exchange differences	-	-	-	-	-	11,706,526,412	2,306,898,786,227	11,706,526,412
Profit for the year	-	-	-	-	-	-	(1,199,747,240,000)	(1,199,747,240,000)
Dividends declared	-	-	-	-	-	-	2,309,813,212,524	2,309,813,212,524
Ending balance	3,726,252,370,000	1,522,259,442,223	(720,199,415,988)	1,762,837,618	2,762,837,618	-	2,309,813,212,524	6,842,651,283,995
<i>Current year</i>								
Beginning balance	3,726,252,370,000	1,522,259,442,223	(720,199,415,988)	1,762,837,618	2,762,837,618	-	2,309,813,212,524	6,842,651,283,995
Increase during the year	185,246,560,000	872,894,296,257	-	-	6,845,114,930	-	(6,845,114,930)	1,058,140,856,257
Other funds	-	-	-	-	-	-	821,285,875,959	821,285,875,959
Profit for the year	-	-	-	-	-	-	-	(3,525,675,236)
Disposal of Vincom Securities	-	-	-	(1,762,837,618)	(1,762,837,618)	-	(2,217,314,440,400)	(2,217,314,440,400)
Dividends declared	-	-	-	-	-	-	906,939,533,153	906,939,533,153
Ending balance	3,911,498,930,000	2,395,153,738,480	(720,199,415,988)	-	7,845,114,930	-	906,939,533,153	6,501,237,900,575

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

27. OWNERS' EQUITY (continued)

27.1 Increase and decrease in owners' equity (continued)

In accordance with the Annual General Shareholder Meeting minute dated 26 February 2011, the General Shareholder has approved the dividend declaration of VND2,300,000,000,000 from the profit of year ended 31 December 2010. The dividend amount not yet paid out as at 31 December 2011 is VND71,246,439,635 (Note 24).

In addition, as presented in Note 26.2, during the year, the bondholders have converted US\$59,200,000 bonds into new ordinary shares which equal to 18,524,656 new shares (at par value of VND10,000/share). Consequently, charter capital of the Company increased by VND185,246,560,000 (equivalent to 18,524,656 new shares at a par value of VND10,000/share) and share premium increased by VND872,894,296,257, after excluding issue fees.

27.2 Funds

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Supplementary capital reserve fund	-	1,762,837,618
Other funds	7,845,114,930	2,762,837,618
Total	<u>7,845,114,930</u>	<u>4,525,675,236</u>

27.3 Ordinary and convertible preference shares

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Number of shares registered to issue	391,149,893	372,625,237
Number of shares issued to public	391,149,893	372,625,237
<i>Ordinary shares</i>	391,149,893	372,625,237
<i>Convertible preference shares</i>	-	-
Number of outstanding shares	391,149,893	372,625,237
<i>Ordinary shares</i>	391,149,893	372,625,237
<i>Convertible preference shares</i>	-	-

Par value of the outstanding ordinary share is VND10,000/share.

27.4 Treasury shares

As at 31 December 2011, Royal City, a subsidiary, held 14,062,170 Vincom shares at a cost of VND720,199,415,988.

As disclosed in Note 6, the Group holds 19,950,929 shares of Vinpearl Joint Stock Company ("Vinpearl shares") as at 31 December 2011. In accordance with the resolution of General Shareholders dated 15 November 2011, the shareholders have approved the merger between the Company and Vinpearl and the merger process is expected to be completed in January 2012. Upon the completion of the merger process, these Vinpearl shares will be swapped into Vincom shares, and will be presented as treasury shares of the Group.

This merger was completed in January 2012 and the aforementioned Vinpearl shares were swapped into 15,362,215 Vincom shares and presented as treasury shares of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

28. MINORITY INTERESTS

	<i>Currency: VND</i>
	<i>Amount</i>
Previous year	
Beginning balance	1,568,791,562,428
Contributed charter capital from minority interest	1,243,193,823,556
Share of post-acquisition profit	125,116,211,150
Share of minority interest from re-issuance of treasury shares	211,600,016,223
Impact of Ecology merger on minority interest	(413,964,131,434)
Reduction in minority interest due to disposal of subsidiaries	(376,843,713,509)
Minority interest arising on business combinations	373,567,093,780
Dividend declared during the year	<u>(20,472,000,000)</u>
	<u>2,710,988,862,194</u>
Current year	
Beginning balance	2,710,988,862,194
Contributed charter capital from minority interest	768,078,402,842
Share of post-acquisition profit	252,274,322,805
Reduction in minority interest due to disposal of subsidiaries	(243,026,375,263)
Minority interest arising on business combinations	<u>(1,737,376,128,614)</u>
	<u>1,750,939,083,964</u>

29. REVENUE

29.1 Revenue from rendering of services

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Gross revenue	2,313,739,781,730	3,872,979,781,266
<i>Of which:</i>		
<i>Revenue from leasing of investment properties and provision of related services</i>	941,943,062,042	715,424,584,004
<i>Revenue from sale of inventory properties</i>	1,370,908,248,542	3,128,084,099,852
<i>Revenue from securities brokerage services and other investment consulting activities</i>	888,471,146	29,471,097,410
Less		
Sales allowance	-	-
Revenue reduction	-	-
Net revenue	<u>2,313,739,781,730</u>	<u>3,872,979,781,266</u>
<i>Of which:</i>		
<i>Revenue from leasing of investment properties and provision of related services</i>	941,943,062,042	715,424,584,004
<i>Revenue from sale of inventory properties</i>	1,370,908,248,542	3,128,084,099,852
<i>Revenue from securities brokerage services and other investment consulting activities</i>	888,471,146	29,471,097,410

Revenue from sale of inventory properties mainly included revenue from sales of assets on the land at E3 land area at Vincom Village Project at Phuc Loi, Giang Bien, Long Bien district, Hanoi city to Vingroup JSC, a company under common owner with the Company and revenue from sale of a retail area in Vincom Center B – Hochiminh city to a corporate customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

29. REVENUE (continued)

29.2 Income from financial activities

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest income	692,940,892,472	533,692,787,809
Realised foreign exchange gains	11,379,415,125	41,472,193,847
Income from investment activities	92,118,091,247	3,826,102,609
Gain from disposal of the shares in subsidiaries and associates	872,623,487,485	490,592,995,320
Gain on disposal of investments in other entities	-	199,746,752,384
Other financial income	18,303,929,977	11,131,027,828
	<u>1,687,365,816,306</u>	<u>1,280,461,859,797</u>

Gain from disposal of the shares in subsidiaries and associates generated from disposal of the shares in VSC, Viettronics Land and Xavinco. Gain from disposal of the shares in subsidiaries and associates is also attributable from the disposal of 29.4% shares in Ecology (Note 17.1) and share swap of 24% shares in Vinpearl Hoi An.

30. SHARES IN PROFIT/(LOSS) OF ASSOCIATES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Vietnam Tourism in Hochiminh City	4,421,468,169	(40,401,235,679)
Vinpearl Hoi An JSC	(1,250,680,636)	(10,785,876,160)
Mega Global Corporation Investment and Trading	-	(1,428,695,239)
Ngoc Viet Joint Stock Company (previously known as BIDV-Land)	-	2,371,507,094
Foreign Trade Concrete JSC	1,618,063,710	1,063,996,677
World Game JSC	-	(755,537,601)
Vincharm Service & Development JSC	-	(3,776,636,700)
PCM Joint Stock Company (previously Vincom Construction Consultancy and Management JSC)	-	251,535,139
Lucky Investment Group JSC	-	21,459,526,048
Green City Development JSC	32,068,911,013	5,708,545,468
Ecology Investment and Development JSC	159,099,337,037	91,825,240,401
Thang Long Real Estate Trading Investment JSC	754,240,401	3,571,225
	<u>196,711,339,694</u>	<u>65,535,940,673</u>

31. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Operating cost relating to the leasing of investment properties and provision of related services	329,134,460,566	203,369,924,925
Cost of inventory properties sold	975,851,565,265	690,991,332,411
Other cost of services rendered	1,250,511,726	32,664,850,741
	<u>1,306,236,537,557</u>	<u>927,026,108,077</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

32. EXPENSES FROM FINANCIAL ACTIVITIES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loan interests	807,484,484,862	511,476,475,135
Realised foreign exchange losses	3,110,260,965	9,222,347,309
Unrealised foreign exchange losses	27,391,359,812	93,080,594,960
Provision for decline in value of investments	8,500,525,711	3,516,479,211
Allocation of bond issuance costs	57,565,239,212	40,841,203,731
Loss on disposal of investments in subsidiaries	-	320,387,536,668
Loss on disposal of investments in other entities	-	8,345,999,655
Other expenses from financial activities	648,689,634	586,257,778
Total	<u>904,700,560,196</u>	<u>987,456,894,447</u>

33. OTHER INCOME AND EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Other income	130,414,885,097	179,241,332,230
Proceeds from disposal of fixed assets and tools	63,254,854,569	66,348,737,887
Contract penalties	47,379,388,913	10,088,766,606
Gain on Ecology merger	-	84,327,237,669
Others	19,780,641,615	18,476,590,068
Other expenses	(101,520,550,542)	(71,549,951,611)
Cost of disposal of fixed assets and tools	(68,658,939,329)	(64,335,753,092)
Contract penalties and other fines	(9,183,126,147)	(653,769,558)
Others	(23,678,485,066)	(6,560,428,961)
	<u>28,894,334,555</u>	<u>107,691,380,619</u>

34. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of inventory properties sold	975,851,565,265	690,991,332,411
Labour costs	195,218,941,341	90,362,346,271
Depreciation and amortization expenses	191,010,245,411	82,572,870,101
Expenses for external services	196,552,666,039	233,024,562,105
Other expenses	1,196,606,407,655	1,086,663,048,527
	<u>2,755,239,825,712</u>	<u>2,183,614,159,415</u>

35. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Parent company and subsidiaries are 25%, except Vinmec Hospital is applied tax rate of 10%.

The tax returns filed by the Company and its subsidiaries 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 financial statements could be changed at a later date upon final determination by the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

35. CORPORATE INCOME TAX (continued)

35.1 Current Corporate Income Tax

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current corporate income tax expense	386,395,187,978	715,384,462,026
Adjustment for under/(over) accrual of tax from previous periods	1,569,124,791	(14,679,703,493)
Deferred corporate income tax expenses/(income)	9,946,935,040	10,335,047,030
	<u>397,911,247,809</u>	<u>711,039,805,563</u>

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

A reconciliation of the Group's accounting profit with its taxable profit is presented as follows

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Profit before tax	1,471,471,446,573	3,143,054,802,940
<i>Adjustments to increase (decrease)</i>	<i>(7,114,759,885)</i>	<i>(121,644,650,168)</i>
Donations	57,950,860,045	18,736,888,078
Changes in accrual for cost of apartments sold	(68,766,602,788)	58,347,660,161
Cost of inventory properties sold without sufficient supporting documents	69,646,691,552	-
Interest expenses on loans incurred on un-contributed chartered capital	-	60,116,051,125
Non-assessable losses of subsidiaries	44,829,209,497	-
Amortization of goodwill	71,472,052,145	11,448,028,487
Amortization of land rental right	9,217,901,051	9,217,901,051
Dividend income	(92,118,753,847)	(386,524,959,917)
Shares in profit of associates	(196,711,339,694)	(65,535,940,673)
Others	97,365,222,154	172,549,721,520
Adjusted net profit before loss carry forward and tax	1,464,356,686,688	3,021,410,152,772
Tax loss carried forward	-	-
Estimated current taxable profit	1,464,356,686,688	3,021,410,152,772
Net estimated current Corporate Income Tax	386,395,187,978	715,384,462,026
CIT payables at the beginning of the year	695,553,737,318	248,794,223,525
Other adjustments	(4,398,401,903)	40,097,667,281
Adjustment for over accrual of tax from previous periods	1,569,124,791	(14,679,703,493)
Provisional CIT for downpayment	160,926,300,151	18,549,500,165
CIT paid during the year	(1,030,085,134,846)	(312,592,412,186)
CIT overpaid during the year	2,021,355,959	-
CIT payable at the end of the year	211,982,169,448	695,553,737,318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

35. CORPORATE INCOME TAX (continued)

35.2 Deferred Enterprise Income Tax

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

	<i>Consolidated statement of financial position</i>		<i>Currency: VND</i> <i>Credit/(charge) to consolidated income statement</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Accrued expenses for apartments sold - Vincom	824,327,628	14,586,915,040	(13,762,587,413)	14,586,915,040
Accrued expenses for apartments sold - PFV	-	2,625,861,253	(3,597,307,996)	(4,677,951,872)
Accrued advertising expenses – Royal City, Sai Dong	6,051,049,327	-	6,051,049,327	-
Accrued advertising expenses – Hanoi South	1,361,911,042	-	1,361,911,042	-
Difference between carrying amount and tax base of Vincom Center Hanoi – Tower C	(21,215,456,941)	(20,244,010,198)	-	(20,244,010,198)
Net deferred tax assets/(liabilities)	(12,978,168,944)	(3,031,233,905)		
Deferred tax (expense)/income			(9,946,935,040)	(10,335,047,030)
<i>Reflected in the consolidated financial statements as follows:</i>				
Deferred tax assets	8,237,287,997	14,586,915,040		
Deferred tax liabilities	(21,215,456,941)	(17,618,148,945)		
Deferred tax liabilities, net	(12,978,168,944)	(3,031,233,905)		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

36. TRANSACTIONS WITH RELATED PARTIES

For the year ended 31 December 2011

Related parties	Relationship	Sales to related parties		Share transfer to related parties		Purchases from related parties		Share transfer from related parties		Collection from sale to related parties		Payment for purchase from related parties	
		VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Vietnam Investment Group JSC	Common owners	890,000,000,000	-	-	-	-	(140,800,000,000)	-	-	-	-	-	-
Vietnam Tourism in Hochiminh City	Associate	-	-	-	-	-	-	-	-	-	-	-	-
Ecology Developing and Investment JSC	Associate of a company under common owners	-	622,500,000,000	-	(218,400,000,000)	-	-	-	-	-	-	218,400,000,000	-
Foreign Trade Concrete Co. Ltd	Associate	-	-	(19,929,085,000)	-	-	-	-	-	-	-	19,929,085,000	-
Vinpearl JSC	Common owners	-	-	-	(477,915,006,000)	-	-	-	-	-	-	-	-
Hanoi Electronics Corporation	Major shareholder of Sai Dong	-	-	-	(212,000,000,000)	-	-	-	-	-	-	-	-
Green City Development JSC	Associate	-	-	-	-	-	-	-	-	-	-	-	-
Vinpearl Hoi An Limited Liability Company	Common owners	-	-	-	-	-	-	-	-	-	-	-	-
Vincharm Service and Development Limited Liability Company	Common owners	22,633,241,523	-	-	-	-	(25,946,163,694)	-	-	-	-	-	-
Hanoi Soap JSC	Major shareholder of Xavinco	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

36. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2011 (continued)

Related parties	Relationship	Payment for share transfer and other		Received payment of share transfer		Capital contribution to/(from) related parties		Borrowings from related parties		Principal repayment from related parties	
		VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Vietnam Investment Group JSC	Common owners	-	-	(313,200,000,000)	-	-	-	-	-	-	-
Vietnam Tourism in Hochiminh City	Associate	17,096,079,877	-	(376,569,041,710)	-	-	-	-	-	-	-
Ecology Developing and Investment JSC	Associate of a company under common owners	-	-	(812,500,000,000)	(549,030,000,000)	(485,000,000,000)	1,887,104,923,167	-	(89,610,000,000)	-	-
Foreign Trade Concrete Co. Ltd	Associate	-	-	-	-	-	-	-	-	-	-
Vinpearl JSC	Common owners	477,915,008,000	-	-	-	(182,000,000,000)	920,500,000,000	-	-	-	-
Hanoi Electronics Corporation	Major shareholder of Sai Dong	212,000,000,000	-	-	-	-	-	-	(212,000,000,000)	-	-
Green City Development JSC	Associate	-	-	-	-	(220,000,000,000)	220,000,000,000	-	-	-	-
Vinpearl Hoi An Limited Liability Company	Common owners	-	-	-	-	-	-	-	-	(212,800,000,000)	-
Vincharm Service and Development Limited Liability Company	Common owners	-	-	-	-	-	-	-	-	-	-
Hanoi Soap JSC	Major shareholder of Xavinco	86,083,333,333	-	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

36. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2011 (continued)

Related parties	Relationship	Interest receivable from related parties	Interest payable to related parties	Interest paid to related parties	Interest received from related parties	Dividend receivables from related parties/Dividend paid to related parties	Dividend received from related parties/ Dividend payable to related parties
		VND	VND	VND	VND	VND	VND
Vietnam Investment Group JSC	Common owners	-	-	-	-	-	-
Vietnam Tourism in Hochiminh City	Associate	-	-	-	-	24,882,442,332	(24,882,442,332)
Ecology Developing and Investment JSC	Associate of a company under common owners	9,229,830,000	(157,813,290,065)	158,395,076,833	(65,210,728,500)	314,865,079,365	(105,349,206,349)
Foreign Trade Concrete Co. Ltd	Associate	-	-	-	-	-	-
Vinpearl JSC	Common owners	-	(265,970,104,100)	185,000,000,000	-	-	-
Hanoi Electronics Corporation	Major shareholder of Sai Dong	33,194,139,999	-	-	(19,109,589,041)	-	-
Green City Development JSC	Associate	-	-	-	-	-	-
Vinpearl Hoi An Limited Liability Company	Common owners	22,024,800,000	-	-	(99,139,758,400)	-	-
Vincharm Service and Development Limited Liability Company	Common owners	-	-	-	-	-	-
Hanoi Soap JSC	Major shareholder of Xavinco	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

Terms and conditions of transactions with related parties

For the year ended 31 December 2011:

During the year, the Group provided loans to related parties at interest rates ranging from 10% per annum to 21% per annum.

On 17 March 2011, the Group has fully disposed its 24% equity interest in Vinpearl Hoi An, an associate, to Vinpearl JSC, a company under common with the Company.

On 13 July 2011 and 20 July 2011, the Group has respectively disposed 10% and 73% equity interest in Viettronics Land Company Limited, an existing subsidiary, to Ecology Developing and Investment JSC, an associate.

On 17 June 2011, the Group has acquired an additional 20% equity interest in Green City Development JSC, an associate, from Vinpearl JSC, a company under common with the Company.

On 4 July 2011, the Group has acquired an additional 6.5% equity interest in Royal City Development JSC, an existing subsidiary, from Ecology Developing and Investment JSC, an associate.

During the year, the Group has sold the assets on the E3 land area at Vincom Village to Vietnam Investment Group JSC, a company under common control with the Company.

The sale and purchase agreement relating to apartment units at Royal City and Times City project have been signed with related parties based on the agreed contractual terms.

During the year, the Group has not made provision for doubtful debts relating to amounts due from related parties (31 December 2010: nil). This assessment is undertaken each financial period through the examination of the financial position of the related party and the market in which the related party operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

36. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due to and from related parties at 31 December 2011

			Currency: VND
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amount</i>
Trade receivables (Note 7)			
Vietnam Investment Group	Common owners	Receivable from sale of assets on the E3 area at Vincom Village (*)	838,200,000,000
			<u>838,200,000,000</u>
Other receivables (Note 8)			
Vietnam Tourism in Hochiminh city	Associate	Proceeds from sale of Nguyen Cong Tru project	18,923,474,012
Hanoi Electronics Corporation	Major shareholder of Sai Dong	Interest receivables	12,367,199,326
Ecology Investment and Development JSC	Associate of a company under common owners	Dividend receivables	89,961,451,246
			<u>121,252,124,584</u>
Advance from customers (Note 21)			
Key members of management	Key members of management	Downpayment for purchase apartments at Royal City and Times City project	14,500,044,354
Family members of key members of management	Family members of key members of management	Downpayment for purchase apartments at Royal City and Times City project	11,268,639,635
			<u>25,768,683,989</u>
Accrued expenses (Note 23)			
Vinpearl JSC	Common owner	Interest payable	80,970,104,100
Ecology Investment and Development JSC	Associate of a company under common owners	Interest payable	10,893,232
			<u>80,980,997,332</u>
Other payables (Note 24)			
Vinpearl JSC	Common owner	Other payables	9,042,668
Key members of management	Key members of management	Downpayment under loan agreements at Royal City and Times City Project	4,425,927,070
Family members of key members of management	Family members of key members of management	Downpayment under loan agreements at Royal City and Times City Project	3,846,186,728
			<u>8,281,156,466</u>
Loans (Note 26.1)			
Vinpearl JSC	Common owner	Current portion of long-term loans	1,070,900,000,000
			<u>1,070,900,000,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

36. TRANSACTIONS WITH RELATED PARTIES (continued)

Details of loans and interest receivables to related parties are as following:

<i>Related parties</i>	<i>Relationship</i>	<i>Balance of loans/ trust investments (VND)</i>	<i>Interest rate pa</i>	<i>Maturity date</i>	<i>Collateral</i>	<i>Interest receivable (VND)</i>
Short-term investments (Note 6)						
Hanoi Electronics Corporation	Major shareholder of Sai Dong	50,000,000,000	21%	1 January 2012	None	5,293,150,700
		<u>50,000,000,000</u>				<u>5,293,150,700</u>
Long-term investment (Note 17.2)						
Hanoi Electronics Corporation	Major shareholder of Sai Dong	100,000,000,000	14%	22 March 2015	None	7,074,048,626
		<u>100,000,000,000</u>				<u>7,074,048,626</u>

Other related party transactions

Remuneration to members of Board of Management and Board of Directors:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries and bonus	4,516,256,372	3,031,614,708
Termination benefit	-	-
	<u>4,516,256,372</u>	<u>3,031,614,708</u>

37. EARNINGS PER SHARE

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

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

37. EARNINGS PER SHARE(continued)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Currency: VND	
	Current year	Previous year (restated)
Net profit after tax attributable to ordinary equity holders for basic earnings	821,285,875,959	2,306,898,786,227
Interest on convertible bonds	-	5,951,078,747
Interest on convertible loans	19,230,766,392	-
Net profit after tax of equity holders of Vinpearl JSC	<u>288,879,329,386</u>	<u>-</u>
Net profit attributable to ordinary equity holders adjusted for the effect of dilution	<u>1,129,395,971,737</u>	<u>2,312,849,864,974</u>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	366,990,137	217,461,621
Effect of bonus and right issues	-	119,974,724
Restated weighted average number of ordinary shares for basic earnings per share	366,990,137	337,436,345
<i>Effect of dilution:</i>		
Convertible bonds	-	27,359,886
Convertible loans	5,722,560	-
Additional share issuable due to the merger with Vinpearl JSC	<u>158,233,412</u>	<u>-</u>
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	<u>530,946,109</u>	<u>364,796,231</u>

38. COMMITMENTS AND CONTINGENCIES

Capital commitments relating to investment activities

No.	Name of investee	Investee's chartered capital	The Company's capital contribution commitment		Actual contributed capital	Committed contributed capital
			Amount	%	Amount	Amount
		VND	VND		VND	VND
1	Royal City Development and Investment JSC	3,200,000,000,000	2,467,500,000,000	77,11	2,094,000,000,000	373,500,000,000
2	Viet Thanh – Sai Dong Company Limited	100,000,000,000	<u>51,000,000,000</u>	51	-	51,000,000,000
			<u>2,518,500,000,000</u>		<u>2,094,000,000,000</u>	<u>424,500,000,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

38. COMMITMENTS AND CONTINGENCIES (continued)

Capital expenditure commitments relating to on-going real estate projects

The Company has entered into a number of contracts relating to the development of Vincom Center A Hochiminh city project and the outstanding commitment on these contracts amounted to approximately VND 694 billion as at 31 December 2011.

Hanoi South, a subsidiary, has entered into a number of contracts relating to the development of the Times City project at No. 460, Minh Khai street, Hai Ba Trung district, Hanoi and at No. 25, Lane 13, Linh Nam street, Hoang Mai district, Hanoi. The outstanding commitment on these contracts amounted to approximately VND 12,481 billion as at 31 December 2011, in which there is a commitment to pay land use fees of VND 2,052 billion for the Times City land area.

Royal City, a subsidiary, has entered into a number of contracts relating to the development of the Royal City project at 74 Nguyen Trai, Thuong Dinh Ward, Thanh Xuan District, Hanoi. The outstanding commitment on these contracts amounted to approximately VND 3,971 billion as at 31 December 2011, in which there is a commitment to pay land use fees of VND499 billion for the Royal City land area.

Sai Dong Urban Development and Investment JSC ("Sai Dong Land"), a subsidiary, has entered into a number of contracts relating to the development of the Vincom Village project at Phuc Loi, Phuc Dong and Gia Thuy wards, Long Bien District, Hanoi. The outstanding commitment on these contracts amounted to approximately VND11,204 billion as at 31 December 2011, in which there is a commitment to pay land use fees of VND 6,093 billion for the Vincom Village land area.

Commitment under operating leases where the Group is a lessor

The Group, as lessor, leases office, retail and mixed use spaces under operating lease agreements. The minimum lease payments under these agreements at year end are as follow:

	<i>Currency: VND</i>
	<i>31 December 2011</i>
Due within one year	839,531,699,743
Due in two to five years	1,304,502,905,401
Due in more than five years	230,236,282,178
	<u>2,374,270,887,322</u>

Commitment under operating leases where the Group is a lessee

The Group, as lessee, entered into certain land rental agreements with duration of 50 years. The minimum lease payments under these agreements at year end area as follow:

	<i>Currency: VND</i>
	<i>31 December 2011</i>
Due within one year	12,717,289,397
Due in two to five years	91,126,712,923
Due in more than five years	1,632,883,017,269
	<u>1,736,727,019,589</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**38. COMMITMENTS AND CONTINGENCIES (continued)****Other commitments***Commitments under Business Co-operation Contract with Hanel*

In accordance with Business Co-operation Contract dated 5 September 2009 between Vincom JSC and Hanoi Electric Company ("Hanel"), the Company agreed to provide a loan of VND 440 billion to Hanel within the first 5 years since the date Hanel completes each stage of capital contribution to the joint stock company and Hanel will use this loan to contribute to the chartered capital of Sai Dong Urban Development and Investment JSC, a company which was newly established to develop Vincom Village project. In addition, the Company also committed to provide a total amount of VND17.5 billion per year in the next 4 years as financial support for Hanel.

Commitments under Business Co-operation Contract with Vinataba

In accordance with the Business Co-operation Contract dated 4 August 2008 between seven (7) parties, including Vincom Joint Stock Company, Vietnam National Tobacco Corporation ("Vinataba"), Thang Long Vinataba Limited Company ("Vinataba Thang Long"), Vinataba Trading & Investment Joint Stock Company ("Vinataba JSC"), Dream House Trading - Construction Corporation ("Dream house"), Vietnam Engineering & Construction Joint Stock Company ("Vinaenco") and An Binh Real Estate Development & Investment JSC ("An Binh"), the Company committed to transfer a deposit of VND 105 billion to develop a project at 235 Nguyen Trai street, Thanh Xuan district, Hanoi. In addition, the Company also committed to compensate VND 105 billion to Vinataba and Vinataba Thang Long for site clearance, relocation and construction of new production facility. This committed amount will be converted to Vincom's equity interest in Thang Long Real Estate Trading Investment Joint Stock Company ("Thang Long"), a company established to develop of the real estate project at 235 Nguyen Trai street, Thanh Xuan district, Hanoi. As at 31 December 2011, the committed amount under this agreement is VND 192.5 billion.

Commitments under Business Co-operation Contract with Hanoi Transerco and DVT

In accordance with agreement on compensation signed between Vincom JSC and Hanoi Transportation Service Company ("Hanoi Transerco") and Overseas Vietnamese Entrepreneur JSC ("DVT") on 30 July 2010, the Company agreed to compensate VND 128 billion to Hanoi Transerco for site clearance for the real-estate project located at 69B Thuy Khue, Tay Ho District, Hanoi, Vietnam. As at 31 December 2011, the committed amount under this agreement is VND 86.7 billion.

Commitment with Vietinbank

On 10 May 2010, the Company and Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank") has signed an agreement to accept Vietinbank as the guarantee for the issuance of a VND 1,000 billion bond. According to which, the Company is under an obligation to submit the land use right certificate for the "Hotel – Office – Basement complex at Eden quadrangle" project as a pledge for the bond within nine months since issue date. 11 May 2010. Such deadline was then extended to 12 August 2012 by Vietinbank. If the Company can not meet this requirement, it is liable to a penalty equal to (=) the number of bonds actually issued multiplied with 50% current bond coupon rate and multiplied with the overdue period. The overdue period is determined as from the bond issue date to the date Vincom completes necessary procedures to submit the land use right certificate as pledge asset to an agency authorized by laws for management of collateral asset and to the underwriter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**38. COMMITMENTS AND CONTINGENCIES (continued)****Other commitments (continued)***Commitment under Transfer Agreement with BIDV*

On 31 July 2006, the Company had transferred certain parts of the land use right and the assets on the land of the Vincom City Towers to the Bank for Investment and Development of Vietnam ("BIDV"). In accordance with the Transfer Agreement, the Company has also committed to transfer the ownership of the following investment properties to BIDV on 20 July 2052:

- (i) the ownership of half of the commercial center (from 1st floor to 6th floor of Vincom City Towers (the "Towers"), except for the reception and elevator waiting area of 160 square metres on the 1st floor); and
- (ii) the ownership of 31.156% of the basement 1 and basement 2 of the Towers.

Commitment with Hanoi People's Committee ("HPC")

In accordance with Decision No.1853/QĐ-UBND dated 22 April 2011 issued by the HPC, Sai Dong Land is obliged to return land lot No. G4-HH16 (with an estimated area of 43,542 square metre) and land lot No. G4-NT (with an estimated area of 5,293 square metre) in the Vincom Village project to the HPC for construction of a kindergarten.

Commitment under contracts for interest expenses support to buyers of apartments at Royal City

During the year, Royal City, a subsidiary, has entered into certain trial party agreements with the buyers of the apartments at Royal City project and with the banks (who are the lenders for these customers to finance for their apartment purchase). The key terms and conditions of these agreements are as follow:

- ▶ the banks will lend the customers to finance for the purchase of the apartments at Royal City;
- ▶ Royal City will support the customers by paying on behalf of the customers interest to the bank, at the rate ranging from 7% to 10% per annum during a period of 18 to 24 months after the loan agreement date;
- ▶ after a period of 18 to 24 months from the loan agreement date, if the customers default on the loan with the banks, Royal City might be required by the banks to buy back the apartments at a price no lower than 80% of the amount of downpayment received by Royal City under the apartment sale agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's financial liabilities comprise loans and borrowings, corporate bonds, convertible bonds and loans, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group also has various financial assets such as trade and other receivables, loans, quoted and unquoted securities, cash and short-term deposits, which arise directly from its operations.

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

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

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

Market risk

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

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

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

In calculating the sensitivity analyses, management assumed that 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 December 2011 and 31 December 2010

Interest rate risk

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

The Group manages its interest rate risk by keeping close watch on relevant market situation, including domestic and international money market and economic, in order to contemplate and adapt its leverage level as well as financing strategies to the prevailing situation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

39. 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 expected over the following financial year. With all other variables held constant, the Group's profit after tax and its equity is affected through the impact on floating rate borrowings as follows:

	Increase/decrease in basis points			Currency: VND
	Short-term	Medium-term	Long-term	Effect on profit before tax
	For the year ended 31 December 2010			
VND	+535	+500	+725	(277,260,320,624)
VND	-535	-500	-725	277,260,287,413
For the year ended 31 December 2011				
VND	+370	+450	+450	(207,988,435,033)
VND	-370	-450	-450	207,988,435,033

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign currency rates relate primarily to the Group's operating activities (when revenue or expenses are denominated in a different currency from the Group's functional currency) and the Group's borrowings in foreign currency.

The Group has not entered into hedge derivatives to eliminate its currency exposures.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US\$ exchange rate expected over the following financial year using historical trends, with all other variables held constant, of the Group's profit after tax and its equity (due to changes in the fair value of monetary assets and liabilities). The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in US\$/VND rate	Currency: VND Effect on profit after tax
For the year ended 31 December 2011	+8%	(77,731,536,066)
	-8%	77,731,536,066
For the year ended 31 December 2010	+5%	(70,690,132,321)
	-5%	70,690,132,321

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)*****Equity price risk***

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Group manages equity price risk by placing a limit on equity investments. The Group's management reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was VND1,542,780,441,335 (2010: VND402,388,797,600).

Commodities price risk

The Group is affected by the volatility of certain commodities that are used for the construction of its real estate projects. The Group manages its commodity price risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, construction plans and inventories level. The Group does not employ any derivative financial instruments to hedge its commodity price risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivable) and from its financing activity, including deposits with banks and financial institutions and lending to related parties.

Trade receivables from leasing of office and retail areas

Customer credit risk is managed when the Group generally requires the customers to make deposits for leasing of office and retail areas.

Trade receivables from sale of real estate properties

Customer credit risks from sale of real estate properties mainly arise from a related party who purchased assets on the land at Vincom Village project (Note 7), and from another corporate customer and other individuals who purchased a retail area and apartments on Vincom Center B - Hochiminh city project. The Group manages this credit risk by regularly monitoring the collection progress from these customers and assess if there is any impairment on the outstanding balance, which as at 31 December 2011 is nil.

Other receivables

Customer credit risk also arises from the sale of Ecology shares to other individuals in October and December 2011 (Note 8). These receivables have payment terms of 180 days. The Group manages this credit risk by regularly monitoring the collection progress from these individuals and assess if there is any impairment on the outstanding balance, which as at 31 December 2011 is nil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Loans to others

Customer credit risk also arises from the loans provided to other counterparties (Note 6 and 17.2). Certain loans are not secured, or secured by the securities owned by others. The Group manages this credit risk by regularly monitoring the collection progress from these counterparties and assess if there is any impairment on the outstanding balance, which as at 31 December 2011 is nil.

Deposits with banks and financial institutions

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy, which is to place deposits with reputable banks and financial institutions. The maximum lending credit risk faced by the Group as to the items in the balance sheet as at report date is carrying amount as presented in Note 5. The Group evaluates the concentration of credit risk in respect to bank deposit is as low.

The Group's management evaluate all financial assets are neither past due nor impaired as they related to recognized and creditworthy counterparties except for the following receivable and loan balances which are past due but not impaired as at 31 December 2011:

Currency: VND

	Total	Neither past due nor impaired	Past due but not impaired			
			< 30 days	31-90 days	91-120 days	> 120 days
31 December 2011	4,928,891,311,212	4,781,813,484,204	20,802,272,718	24,241,997,982	8,298,661,440	93,734,894,868
31 December 2010	6,253,455,123,906	6,147,629,830,583	59,214,307,770	20,339,028,286	7,944,240,684	18,327,716,583

Provision for doubtful debts of VND8,323,709,283 is made in accordance with the guidance under Circular 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009 for overdue balance as at 31 December 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

The Group monitors its liquidity risk by arranging long-term credit facilities from the banks so that these loans will be settled once the Group completes the development of its properties and put these properties into commercial operations. As at 31 December 2011, the undrawn credit facility is approximately VND209 billion.

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

	On demand	Less than 1 year	From 1 to 5 years	Over 5 years	Total
31 December 2010					<i>Currency: VND</i>
Loans and borrowings	180,083,073,494	449,043,070,028	10,103,023,835,901	-	10,732,149,979,423
Trade payables	112,761,461,723	-	-	-	112,761,461,723
Other payables and accrued expenses	325,495,350,624	144,853,266,883	-	-	470,348,617,507
	<u>618,339,885,841</u>	<u>593,896,336,911</u>	<u>10,103,023,835,901</u>	<u>-</u>	<u>11,315,260,058,653</u>
31 December 2011					
Loans and borrowings and	-	4,885,751,831,857	4,338,808,548,002	1,290,422,064,615	10,514,982,444,474
Trade payables	538,965,024,625	-	-	-	538,965,024,625
Other payables and accrued expenses	1,945,211,263,809	41,051,435,745	148,828,340,730	49,796,051,704	2,184,887,091,988
	<u>2,484,176,288,434</u>	<u>4,926,803,267,602</u>	<u>4,487,636,888,732</u>	<u>1,340,218,116,319</u>	<u>13,238,834,561,087</u>

The Group evaluates the concentration of liquidity risk in respect to the repayment of bond principal that will fall due in 2012 and the obligations to contractors engaged for its real estate projects. The Group is evaluating alternative financing sources to ensure that these obligations will be met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

40. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	31 December 2011		Carrying amount		31 December 2010		Fair value	
	Cost	Provision	Cost	Provision	Cost	Provision	31 December 2011	31 December 2010
Financial assets								
Listed and unlisted shares	854,465,575,880	(21,101,135,007)	322,753,535,776	(10,242,485,500)	833,364,440,873	402,388,797,600		
Trade receivables	1,096,924,061,390	(2,379,631,269)	3,005,074,311,687	(12,954,092,169)	1,094,544,430,121	2,992,120,219,518		
Other receivables	1,999,876,495,659	-	1,033,236,740,239	-	1,999,876,495,659	1,033,236,740,239		
Other current assets	2,328,563,966,917	-	3,507,580,301,194	-	2,328,563,966,917	3,507,580,301,194		
Other non-current financial assets	1,210,781,260,418	-	562,187,258,183	(1,362,527,211)	1,210,781,260,418	560,824,730,972		
Cash and cash equivalents	1,231,728,589,840	-	1,515,008,976,492	-	1,231,728,589,840	1,515,008,976,492		
Total	8,722,339,950,104	(23,480,766,276)	9,945,841,123,571	(24,559,104,880)	8,698,859,183,828	10,011,159,766,015		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

40. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Carrying amount		Fair value	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Financial liabilities				
Loans and borrowings	10,034,080,671,840	10,361,999,220,275	10,034,080,671,840	10,361,999,220,275
Convertible bonds	-	1,122,667,600,000	-	1,444,421,355,000
Trade payables	538,965,024,625	112,761,461,723	538,965,024,625	112,761,461,723
Other current liabilities	2,665,788,864,622	840,499,376,657	2,665,788,864,622	840,499,376,657
Total	13,238,834,561,087	12,437,927,658,655	13,238,834,561,087	12,759,681,413,655

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.
- ▶ Fair value of quoted securities and debt instruments is based on market value at the reporting date.
- ▶ For financial instruments and other investments whose fair value can not be reliably determined due to the absence of an active market for these instruments, the fair value is assumed to be the carrying value of these instruments.
- ▶ For loans/borrowings from banks and other financial liabilities whose fair value can not be reliably determined due to the absence of an active market for these instruments, the fair value is assumed to be the carrying value of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

41. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified to conform to current year's financial statement presentation.

		31 December 2010 (as previously presented)	Reclassification	31 December 2010 (re-presented)
BALANCE SHEET				
Receivables from related parties	(i)	1,057,520,388,255	(1,057,520,388,255)	-
Trade receivables	(i)	2,605,627,558,066	399,446,753,621	3,005,074,311,687
Other receivables	(i)	375,163,105,605	658,073,634,634	1,033,236,740,239
Payables to related parties	(ii)	13,036,801,679	(13,036,801,679)	-
Advances from customers	(ii)	928,881,875,811	2,841,153,922	931,723,029,733
Other payables	(ii)	2,347,421,517,146	9,602,967,757	2,357,024,484,903
Accrued expenses	(ii)	534,532,161,924	592,680,000	537,337,366,204
Accrued expenses	(ii)		2,212,524,280	
Provision for severance allowance	(iii)	2,212,524,280	(2,212,524,280)	-
Other long-term investments	(iv)	560,540,964,826	(113,341,166,078)	447,199,798,748
Short-term investments	(iv)	3,829,174,790,221	113,341,166,078	3,942,515,956,299

- (i) Reclassification from receivables from related parties to trade receivables and other receivables for the financial statements presentation purpose;
- (ii) Reclassification from payables to related parties to advances from customers, accrued expense and other payables for the financial statements presentation purpose;
- (iii) Reclassification from provision for severance allowance to accrued expenses for the financial statements presentation purpose;
- (iv) Reclassification from other long-term investments to short-term investments for the financial statements presentation.

42. SIGNIFICANT EVENTS

In accordance with the Annual General Shareholder Meeting minute dated 26 February 2011, the General Shareholder has approved the dividend declaration of VND2,300,000,000,000 from the profit of year ended 31 December 2010. The outstanding dividend payables as at 31 December 2011 was VND71,246,439,635.

In March 2011, the Group has fully disposed 75% its equity interest in Vincom Securities JSC, a subsidiary, and then lost control in this subsidiary.

On 17 March 2011, the Group, through a share swap transaction, has fully disposed its 24% equity interest in Vinpearl Hoi An JSC, an associate.

On 23 May 2011, the Company and Sun City JSC have signed an in-principle agreement in which the Company will sell its entire 70% equity interest in Ho Tay to Sun City JSC.

On 8 June 2011, the Group has acquired an additional 20% equity interest in Viettronics Land Company Limited, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 84%. On 13 July 2011 and 20 July 2011, the Group has respectively disposed 10% and 73% equity interest in this company, and there by, reducing its equity interest in this company to 1%. The Group then lost control in this subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011**42. SIGNIFICANT EVENTS (continued)**

On 17 June 2011, the Group has acquired an additional 20% equity interest in Green City Development JSC, an existing associate, and thereby, increasing its equity interest in this associate to 44%.

On 27 June 2011, the Group has disposed 56% equity interest in Xavinco Land JSC, a subsidiary, and thereby, reducing its equity interest in this company to 1%, and lost control in this entity.

On 27 June 2011, the Group has acquired 10% equity interest in Sai Dong Urban Development & Investment JSC, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 61%.

On 4 July 2011, 30 August 2011 and 6 December 2011, the Group has respectively acquired an additional 6.5%, 15% and 3.63% equity interest in Royal City Development JSC, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 77.11%.

On 25 July 2011 and in December 2011, the Group has respectively acquired an additional 1.05% and 13.33% equity interest in Hanoi Southern City Development JSC, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 66.33%.

During the year, the bondholders have converted US\$59,200,000 bonds into 18,524,656 ordinary shares of the Company at the exercise price of VND60,000/share. The outstanding balance of the bonds of US\$100,000 was also redeemed by the Company on 6 June 2011.

On 12 July 2011, the Group has completed the issue of USD 40,000,000 6% convertible loans that have a term of 11 months.

In October and December 2011, the Group completed the disposal of 29.4% equity interest in Ecology and thereby reduced the equity interest of the Group in this entity to 15.58%. The Group consequently lost significant influence in this entity.

In accordance to Merger Contract dated 19 December 2011 between Vincom JSC and Vinpearl JSC, the two companies has agreed on the merger plan in which Vincom JSC will issue new ordinary shares to swap with all of the existing Vinpearl shares, at the swap rate of 1 Vinpearl share for 0.77 Vincom share. The Company has also received Certificate No. 121/GCN-UBCK for public offering of new ordinary shares related to this share swap from the State Securities Commission on 8 December 2011. According to this Certificate, the number of new ordinary shares to be issued is 158,233,412 shares, which will be issued to swap with 205,498,489 existing Vinpearl shares. The merger process was completed in January 2012, will increase shares capital of the Company by VND1,582,334,120,000 (which is 158,233,412 shares at par value of VND10,000 per shares).

In December 2011, the Company has made a public announcement that it will transfer the office component of the Vincom Center Hanoi - Tower B.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

43. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

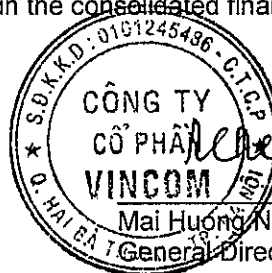
On 13 January 2012, the Company has obtained the amended Business Registration Certificate No. 38 to increase its chartered capital to VND5,493,833,050,000 following the issuance of new ordinary shares to swap for all of the existing shares of Vinpearl Joint Stock Company.

On 8 February 2012, the Company signed a contract to transfer the office component of the Vincom Center Hanoi – Tower B to Vietnam Technological and Commercial Joint Stock Bank – Asset Management Company Limited ("Techcombank AMC Co., Ltd").

There have been no other significant events occurring after the reporting period which would require adjustments or disclosures to be made in the consolidated financial statements.



Nguyen Thi Thu Hien
Chief Accountant



Mai Hương Noi
General Director

20 March 2012