



Hanoi, 20 March 2012

REPORT ON THE FINANCIAL CONDITION OF VINCOM JSC FOR THE YEAR 2011

TO THE GENERAL SHAREHOLDERS OF VINCOM JSC

Despite numerous challenges due to the global economic crisis and a stagnant domestic real estate market, Vincom JSC (the “**Company**”) still had a successful year in 2011, according to the following financial criteria:

1. **Asset growth:**

The Company's total assets increased by VND9,366 billion, equivalent to 36% as compared with 2010.

The following substantial changes to assets occurred during the year:

- The Vincom Center Long Bien – Shopping Mall was completed and put into operation with a total recorded value of more than VND400 billion.
- The Vinmec International General Hospital was completed and put into operation with a total recorded value of more than VND1,600 billion.
- Inventories increased, including the cost of the ongoing construction of high-end residential projects with a total of VND7,000 billion.
- The costs of ongoing construction of investment properties under development increased by nearly VND200 billion.

2. **Liabilities and Equities:**

2.1. **Loans borrowed in 2011:**

The total value of current and non-current liabilities in 2011 was VND10,034 billion, representing a reduction of VND1,450 billion, or 13% as compared with 2010.

Major fluctuations in loans during the year were as follows:

- The Company took out a convertible loan of VND833 billion (equivalent to USD40 million) to finance additional working capital for the Company’s business operations. The loan has an annual interest rate of 6% and will mature in 11 months.
- The Company borrowed a long-term, seven year loan from Vietnam Joint Stock Commercial Bank for Industry and Trade with a total facility limit of VND1,500 billion and a floating interest rate. This loan was intended to be used to finance the Vincom Village Project by Sai Dong Urban Development and Investment JSC. A total of VND1,290 billion was disbursed in 2011.
- The Company paid a total of VND2,385 billion in other liabilities.
- Bond holders also converted USD59,200,000 in bonds into 18,524,656 ordinary Company’s shares during 2011. The principal and interest on the remaining bond balance of USD100,000, was settled and paid up by the Company in accordance with the terms and conditions of the bonds on 6 June 2011.

2.2. Increase in equity

- In 2011, the Company increased its charter capital for converting international convertible bonds into shares by a total of VND185,246,560,000 (equivalent to 18,524,656 ordinary shares) and raised the equity premium by VND873 billion.
- The Company paid VND2,300 billion in dividends from its 2010 profits as set forth in the Decision of the General Shareholders dated 26 February 2011.

3. Revenue and profit growth:

- The Company's revenue in 2011 reached VND2,314 billion, a decrease of VND1,559 billion against 2010; financial revenue was VND 1,687 billion and the total revenue met 78% of the target figure. Over the year, the Company maintained a stable and growing source of revenue from leasing office and retail space, which increased 32% compared to 2010. However, the revenue from property transfers fell compared to the 2010 figures. The Company also implemented a large number of agreements on property sales (apartments, villas, and land). Nevertheless, because some of the properties were not completed and handed over to customers, the revenue and profits from these sales were not recorded in the Company's revenue and profits for the year 2011. The total amount received from purchasers of apartments and villas in the Royal City, Times City and Vincom Village projects in 2011 was more than VND12,000 billion, which is currently recorded in the Company's Asset Summation Sheet "Liabilities" section, under the item "pre-paying purchasers". This amount will be recorded as revenue and profits in the upcoming years.
- Gross profits for the whole year reached VND1,008 billion, with an average gross profit ratio equivalent to 44% of the total revenue.
- The net income from financial activities was VND738 billion, an increase of VND490 billion against 2010, primarily the income gained through the disposal of the Company's shares in companies and small projects in an attempt to mobilize resources for its key projects.
- The total profits after tax reached VND1,074 billion, representing a decrease of VND1,358 billion compared to 2010, of which the after tax profit of equity holders in the parent company was VND821 billion.
- Total taxes payable to the State budget, including VAT, corporate income tax and other taxes, were VND928 billion. The amount of tax paid during the year, including the payment of obligations from the previous year, was VND1,708 billion.

To:

- As above;
- Filed at the office.

VINCOM JSC
General Director

(signed)

Mai Huong Noi

Note:

- The Company's financial statements for the year 2011 have been audited by Ernst & Young Viet Nam and posted on the Company's website: www.vincom.com.vn
- This document is subject to amendments and supplements and shall be submitted to the General Shareholders for their consideration and final decision at the Meeting.