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Vincom Joint Stock Company
Audited Consolidated Financial Statements
31 December 2010



Vincom Joint Stock Company

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Vincom Joint Stock Company

REPORT OF THE BOARD OF MANAGEMENT

The Board of 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 2010 and for the year then ended.

THE 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. The Company also received subsequent amended business licenses with the latest being the 25th amended business license dated 31 December 2010.

The Company's shares were officially listed on the Ho Chi Minh City Stock Exchange ("HOSE") from 19 September 2007 pursuant to Decision No.106/QD-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 located on the 11th Floor, Vincom City Towers, 191 Ba Trieu Street, Hai Ba Trung District, Hanoi, Viet Nam and its branch is located at No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam.

The Company has the following subsidiaries:

PFV Investment and Trading Co., Ltd. ("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.

PFV's principal business activities are to construct and provide retail outlets, commercial offices for lease and high-end apartment units for sale. PFV's registered office is on the 11th floor, Vincom City Towers, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam. As at 31 December 2010, 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, Ho Chi Minh City, Vietnam. As at 31 December 2010, the Company holds 75% voting rights in this subsidiary.

On 26 October 2010, the Company's management has approved a plan to dispose the entire investment in VSC.

Vincom Joint Stock Company

REPORT OF THE BOARD OF MANAGEMENT (continued)

THE COMPANY (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 subsidiary is at No. 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 metres in accordance with Land Use Right 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 2010, 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 Business License No. 0103038194 dated 11 June 2009 and the 2nd Amended Investment Certificate 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 2010, the Company holds 51.98% 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. 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 51% 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 Department of Planning and Investment on 25 September 2009, with a registered chartered capital of VND300 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 64% voting rights in this subsidiary.

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. As at 31 December 2010, the Company holds 51.95% voting rights in this subsidiary.

Vincom Joint Stock Company

REPORT OF THE BOARD OF MANAGEMENT (continued)

THE COMPANY (continued)

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.

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 on 25 August 2010, with a registered chartered capital of VND 50 billion. 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 2010, the Company holds 70% voting rights in this subsidiary.

RESULTS AND DIVIDENDS

The consolidated net profit after tax attributable to the shareholders of the Company for the year ended 31 December 2010 was 5,020,427,273,959 (restated consolidated net profit after tax attributable to the shareholders of the Company for the years ended 31 December 2009 and 31 December 2008 were VND4,613,916,340,218 and VND291,316,827,038, respectively).

In May and June 2010, the Company has completed the issuance of stock dividends to the shareholders. The number of new ordinary shares issued from this stock dividend was 119,974,724, which was issued at the rate of 601 new shares for every 1,000 existing shares.

EVENTS AFTER THE REPORTING PERIOD

Under the terms of the USD 100,000,000 convertible bond issued on 15 December 2009, the bondholders have the option to convert the bonds to the Company's ordinary shares at any time on or after 30 April 2010 up to the close of business on the tenth day prior to 15 December 2014. For the period from 1 January 2011 to 31 January 2011, the bondholders have converted USD 28,000,000 bonds into 8,761,662 ordinary shares of the Company at the exercise price of VND60,000 per share.

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.

THE BOARD OF MANAGEMENT

The members of the Company's Board of Management during the year and at the date of this report are:

Le Khac Hiep	Chairman
Pham Nhat Vuong	Member
Pham Thuy Hang	Member
Mai Huong Noi	Member
Nguyen Dieu Linh	Member
Pham Van Khuong	Member

Vincom Joint Stock Company

REPORT OF THE BOARD OF MANAGEMENT (continued)

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to accept re-appointment.

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

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

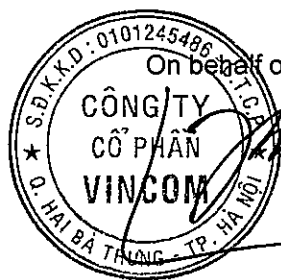
- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;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

Management is also responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and to ensure that the accounting records comply with the registered 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 has also confirmed to the Board of Management that the Group has complied with the above requirements in preparing the consolidated financial statements.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements which give a true and fair view of the financial position of the Group as at 31 December 2010, 31 December 2009 and 31 December 2008 and the results of its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards.



On behalf of the Board of Management: 

Le Khắc Hiệp
Chairman

Hanoi, Vietnam

31 January 2011

Reference: 60729565/14584548

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"), which comprise the consolidated statements of financial position as at 31 December 2010, 31 December 2009 and 31 December 2008 and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2010, 31 December 2009 and 31 December 2008 and of its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.



Ernst & Young Vietnam Ltd

Vincom Joint Stock Company

CONSOLIDATED INCOME STATEMENT

for the years ended 31 December 2010, 31 December 2009 and 31 December 2008

	Notes	2010 VND	2009 Restated VND	2008 Restated VND
Continuing operations				
Rental income		716,338,224,469	279,495,604,674	232,883,827,740
Sale of inventory properties		3,128,084,099,852	1,662,956,370,435	-
Revenue		3,844,422,324,321	1,942,451,975,109	232,883,827,740
Cost of sales		(1,035,952,114,616)	(499,804,884,035)	(32,217,859,231)
Gross profit		2,808,470,209,705	1,442,647,091,074	200,665,968,509
Valuation gains from completed investment property	13	3,246,884,500,068	489,002,332,738	240,072,164,153
Valuation gains from investment property under construction	14	969,084,214,825	4,776,009,885,591	-
Other operating income	8.1	667,301,687,195	33,162,854,392	30,016,560,111
Selling and distribution costs		(88,861,255,144)	(12,326,530,154)	(13,423,575,248)
Administrative expenses		(197,943,453,740)	(80,702,270,979)	(63,803,618,313)
Other operating expenses	8.2	(169,198,892,886)	(1,477,212,737)	(9,666,091,620)
Operating profit		7,235,737,010,023	6,646,316,149,925	383,861,407,592
Finance costs	8.3	(638,891,120,354)	(384,447,185,050)	(336,494,326,773)
Net loss on financial liability at fair value through profit or loss	32.2	(434,676,561,883)	(98,835,902,632)	-
Finance income	8.4	857,762,218,643	251,266,184,920	336,908,524,387
Share of profit of associates	7	103,084,601,855	15,219,355,751	1,802,295,649
Profit before tax from continuing operations		7,123,016,148,284	6,429,518,602,914	386,077,900,855
Income tax expense	9	(1,647,626,854,285)	(1,562,613,121,985)	(93,855,453,054)
Profit for the year from continuing operations		5,475,389,293,999	4,866,905,480,929	292,222,447,801
Discontinued operation				
Profit/(loss) after tax for the year from discontinued operation	25	14,897,922,760	14,421,118,695	(2,491,441,758)
Profit for the year		5,490,287,216,759	4,881,326,599,624	289,731,006,043
<i>Attributable to:</i>				
Equity holders of the parent		5,020,427,273,959	4,613,916,340,218	291,316,827,038
Non-controlling interests		469,859,942,800	267,410,259,406	(1,585,820,995)
<i>Earnings per share:</i>				
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Basic, profit for the year attributable to equity holders of the parent		14,878	14,386	905
Diluted, profit for the year attributable to equity holders of the parent		14,672	14,386	905
<i>Earnings per share for continuing operations:</i>				
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Basic, profit from continuing operations attributable to equity holders of the parent		14,842	14,377	909
Diluted, profit from continuing operations attributable to equity holders of the parent		14,639	14,377	909

Vincom Joint Stock Company

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the years ended 31 December 2010, 31 December 2009 and 31 December 2008

	2010 VND	2009 <i>Restated</i> VND	2008 <i>Restated</i> VND
Profit for the year	5,490,287,216,759	4,881,326,599,624	289,731,006,043
Other comprehensive income/ (loss) for the year, net of tax	-	-	-
Total comprehensive income for the year, net of tax	<u>5,490,287,216,759</u>	<u>4,881,326,599,624</u>	<u>289,731,006,043</u>
<i>Attributable to:</i>			
Equity holders of the parent	5,020,427,273,959	4,613,916,340,218	291,316,827,038
Non-controlling interests	<u>469,859,942,800</u>	<u>267,410,259,406</u>	<u>(1,585,820,995)</u>
	<u>5,490,287,216,759</u>	<u>4,881,326,599,624</u>	<u>289,731,006,043</u>

Vincom Joint Stock Company

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2010, 31 December 2009 and 31 December 2008

	Notes	2010 VND	2009 Restated VND	2008 Restated VND	As at 1 January 2008 Restated VND
ASSETS					
NON-CURRENT ASSETS					
Property and equipment	11	166,879,561,349	39,113,547,936	27,301,430,369	12,387,535,504
Intangible assets	12	175,274,304,159	529,638,145,423	99,139,107,317	94,199,759,418
Completed investment property	13	13,662,268,342,043	2,675,360,000,000	1,776,250,000,000	1,536,000,000,000
Investment property under construction	14	3,126,772,625,242	7,496,456,217,883	-	-
Construction in progress	15	2,213,468,610,370	268,990,123,707	1,946,768,962,411	11,620,223,732
Investment in associates	7	2,789,647,233,248	770,216,345,119	609,809,355,602	68,910,400,000
Interest in joint venture	6	-	95,909,178,875	24,222,484,075	-
Financial assets at fair value through profit or loss	19	-	387,840,000,000	-	-
Other non-current financial assets	17	551,046,718,794	201,951,856,363	333,527,668,000	188,651,812,000
Deferred tax assets	9.2	191,857,967,156	50,863,461,252	3,284,057,571	3,810,914,490
Long-term prepayments	18	42,965,790,704	7,967,371,349	3,993,595,006	2,746,351,615
Total non-current assets		22,920,181,153,065	12,524,306,247,907	4,824,296,660,351	1,918,326,996,759
CURRENT ASSETS					
Inventories	20	2,264,169,759,164	900,649,688,200	209,932,607,586	135,595,299
Trade receivables	21	2,486,068,069,691	342,443,869,667	6,775,778,447	2,625,287,470
Advances to suppliers		1,638,208,034,997	355,463,866,882	122,754,931,703	22,414,277,558
Held-for-trading investments	19	402,388,797,600	266,796,453,249	23,373,140,839	61,253,075,000
Loans to and receivables from related parties	37	1,557,172,227,139	2,613,845,166,421	1,702,064,650,043	1,647,941,577,827
Short-term prepayment and other receivables	22	427,150,066,534	227,226,493,494	454,123,142,760	289,846,362,686
Short-term investments	23	2,833,212,956,859	2,289,782,272,136	-	-
Cash and cash equivalents	24	1,482,546,869,005	1,453,040,525,340	26,847,972,877	497,490,168,093
Total current assets		13,090,916,780,989	8,449,248,335,389	2,545,872,224,255	2,521,706,343,933
Assets classified as held for sale	25	344,702,210,619	-	-	-
TOTAL ASSETS		36,355,800,144,673	20,973,554,583,296	7,370,168,884,606	4,440,033,340,692

Vincom Joint Stock Company

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2010, 31 December 2009 and 31 December 2008

	Notes	2010 VND	2009 Restated VND	2008 Restated VND	As at 1 January 2008 Restated VND
EQUITY AND LIABILITIES					
EQUITY					
Issued capital	33.1	3,726,252,370,000	1,996,272,380,000	1,199,831,560,000	800,000,000,000
Share premium		1,618,453,946,594	773,354,590,000	804,288,932,212	773,354,590,000
Treasury shares	33.2	(1,323,946,322,845)	(1,898,164,733,713)	(869,327,434,323)	-
Supplementary capital reserve fund		1,762,837,618	1,762,837,618	4,165,459	-
Financial reserve fund		2,762,837,618	1,762,837,618	4,165,459	-
Retained earnings		9,628,107,364,122	6,094,740,749,987	1,382,616,535,232	1,223,034,032,316
Equity attributable to equity holders of the parent		13,653,393,033,107	6,969,728,661,510	2,517,417,924,039	2,796,388,622,316
Non-controlling interests		3,086,626,426,052	1,631,730,336,401	123,192,330,329	91,911,287,815
Total equity		16,740,019,459,159	8,601,458,997,911	2,640,610,254,368	2,888,299,910,131
NON-CURRENT LIABILITIES					
Interest-bearing loans and borrowings	32.1	10,003,534,353,910	7,131,690,769,927	3,121,282,023,715	987,011,530,789
Financial liability designated as at fair value through profit or loss	32.2	1,444,421,355,000	1,876,718,200,500	-	-
Long-term customers' deposits	28	111,020,772,301	41,180,315,217	17,413,611,349	4,277,581,228
Long-term deferred revenue	30	1,550,227,625	9,530,619,390	30,648,380,211	37,584,691,473
Deferred tax liabilities	9.2	2,807,402,294,143	1,849,279,887,497	384,751,254,636	322,750,979,115
Other long-term liabilities		2,212,972,774	1,763,629,691	2,028,342,026	675,641,964
		14,370,141,975,753	10,910,163,422,222	3,556,123,611,937	1,352,300,424,569
CURRENT LIABILITIES					
Short-term loans	31	294,320,590,034	242,288,185,273	622,000,000,000	-
Trade payables		112,650,723,133	146,078,448,800	60,547,572,488	1,065,476,069
Deposits and downpayment from customers	29	3,116,008,534,397	15,554,799,887	83,858,804,438	17,094,481,035
Payables to related parties	37	13,026,250,295	324,552,911,770	-	-
Short-term deferred revenue	30	26,857,741,555	31,292,400,538	23,095,635,443	20,361,494,084
Accruals	26	534,305,618,165	312,980,883,203	275,269,261,793	24,401,466,293
Corporate income tax payable	9.1	691,783,423,055	248,794,223,525	8,509,880,987	57,127,916,671
Other current liabilities	27	451,050,906,836	140,390,310,167	100,153,863,152	79,382,171,840
		5,240,003,787,470	1,461,932,163,163	1,173,435,018,301	199,433,005,992
Total liabilities		19,610,145,763,223	12,372,095,585,385	4,729,558,630,238	1,551,733,430,561
Liabilities directly associated with assets classified as held for sale	25	5,634,922,291	-	-	-
TOTAL EQUITY AND LIABILITIES		36,355,800,144,673	20,973,554,583,296	7,370,168,884,606	4,440,033,340,692

Vincom Joint Stock Company

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the years ended 31 December 2010, 31 December 2009 and 31 December 2008

For the year ended 31 December 2010:

	Attributable to the equity holders of the parent							Non-controlling Interest VND	Total equity VND
	Issued capital VND	Share premium VND	Treasury shares VND	Other reserves VND	Retained earnings VND	Total VND			
As at 1 January 2010	1,996,272,380,000	773,354,590,000	(1,898,164,733,713)	3,525,675,236	1,053,086,052,733	1,928,073,964,256	1,568,652,395,649	3,496,726,359,905	
Changes in accounting policies (Note 2.4)	-	-	-	-	5,041,654,697,254	5,041,654,697,254	63,077,940,752	5,104,732,638,006	
As at 1 January 2010 (restated)	1,996,272,380,000	773,354,590,000	(1,898,164,733,713)	3,525,675,236	6,094,740,749,987	6,969,728,661,510	1,631,730,336,401	8,601,458,997,911	
Profit for the year	-	-	-	-	5,020,427,273,959	5,020,427,273,959	469,859,942,800	5,490,287,216,759	
Other comprehensive income	-	-	-	-	-	-	-	-	
Total comprehensive income	-	-	-	-	5,020,427,273,959	5,020,427,273,959	469,859,942,800	5,490,287,216,759	
Shares issued during the year	1,729,979,990,000	826,996,061,287	-	-	-	2,556,976,051,287	-	2,556,976,051,287	
Re-issuance of treasury shares	-	285,308,838,082	884,630,498,487	-	-	1,169,939,336,569	211,600,016,223	1,381,539,352,792	
Impact of Sinh Thai merger	-	(267,205,542,775)	(291,642,792,073)	-	-	(558,848,334,848)	(398,163,357,540)	(957,011,692,388)	
Purchase of treasury shares	-	-	(415,507,830,000)	-	-	(415,507,830,000)	-	(415,507,830,000)	
Net decrease in treasury shares due to business combination	-	-	708,842,724,197	-	-	708,842,724,197	-	708,842,724,197	
Treasury shares held by associates	-	-	(312,104,189,743)	-	-	(312,104,189,743)	-	(312,104,189,743)	
Change in ownership interest without loss of control	-	-	-	-	(286,313,419,824)	(286,313,419,824)	27,495,524,133	(258,817,895,691)	
Transferred to other reserves	-	-	-	1,000,000,000	(1,000,000,000)	-	-	-	
Dividend declared during the year	-	-	-	-	(1,199,747,240,000)	(1,199,747,240,000)	(20,472,000,000)	(1,220,219,240,000)	
Share capital contribution by non-controlling interest	-	-	-	-	-	-	1,243,193,823,556	1,243,193,823,556	
Others	-	-	-	-	-	-	(78,617,859,521)	(78,617,859,521)	
Balance at the end of the year	3,726,252,370,000	1,618,453,946,594	(1,323,946,322,845)	4,525,675,236	9,628,107,364,122	13,653,393,033,107	3,086,626,426,052	16,740,019,459,159	

Vincom Joint Stock Company

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) for the years ended 31 December 2010, 31 December 2009 and 31 December 2008

For the year ended 31 December 2009:

	Attributable to the equity holders of the parent							Non-controlling Interest VND	Total equity VND
	Issued capital VND	Share premium VND	Treasury shares VND	Other reserves VND	Retained earnings VND	Total VND			
Balance at 1 January 2009	1,199,831,560,000	804,288,932,212	(869,327,434,323)	8,330,918	239,049,559,007	1,373,850,947,814	123,192,330,329	1,497,043,278,143	
Changes in accounting policy (Note 2.4)	-	-	-	-	1,143,566,976,225	1,143,566,976,225	-	1,143,566,976,225	
As at 1 January 2009 (restated)	1,199,831,560,000	804,288,932,212	(869,327,434,323)	8,330,918	1,382,616,535,232	2,517,417,924,039	123,192,330,329	2,640,610,254,368	
Profit for the year (restated)	-	-	-	-	4,613,916,340,218	4,613,916,340,218	267,410,259,406	4,881,326,599,624	
Other comprehensive income	-	-	-	-	-	-	-	-	
Total comprehensive income (restated)	-	-	-	-	4,613,916,340,218	4,613,916,340,218	267,410,259,406	4,881,326,599,624	
Shares issued during the year	796,440,820,000	-	-	-	-	796,440,820,000	-	796,440,820,000	
Purchase of treasury shares	-	-	(10,695,069,390)	-	-	(10,695,069,390)	-	(10,695,069,390)	
Treasury shares held by subsidiaries	-	-	(1,018,142,230,000)	-	-	(1,018,142,230,000)	-	(1,018,142,230,000)	
Change in ownership interest without loss of control	-	-	-	(416,546)	156,321,265,901	156,320,849,355	(16,189,939,231)	140,130,910,124	
Reversal of excess proceeds from sale of Hai Phong Land	-	(30,934,342,212)	-	-	-	(30,934,342,212)	-	(30,934,342,212)	
Transferred to other reserves	-	-	-	3,517,760,864	(3,517,760,864)	-	-	-	
Dividend declared during the year	-	-	-	-	(54,595,630,500)	(54,595,630,500)	(237,987,000,000)	(292,582,630,500)	
Share capital contribution by non controlling interest	-	-	-	-	-	-	647,320,000,000	647,320,000,000	
Non controlling interest arising on business combination	-	-	-	-	-	-	790,168,039,739	790,168,039,739	
Disposal of equity interest to non controlling interest	-	-	-	-	-	-	122,369,089,877	122,369,089,877	
Share of non controlling interest in Hai Phong Land	-	-	-	-	-	-	(62,725,287,698)	(62,725,287,698)	
Share of non controlling interest in Hanoi South	-	-	-	-	-	-	(140,009,494,271)	(140,009,494,271)	
Share of non controlling interest in acquired intangible assets	-	-	-	-	-	-	138,182,338,250	138,182,338,250	
Balance at the end of the year (restated)	1,996,272,380,000	773,354,590,000	(1,898,164,733,713)	3,525,675,236	6,094,740,749,987	6,969,728,661,510	1,631,730,336,401	8,601,458,997,911	

Vincom Joint Stock Company

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) for the years ended 31 December 2010, 31 December 2009 and 31 December 2008

For the year ended 31 December 2008:

	Attributable to the equity holders of the parent							Non-controlling Interest VND	Total equity VND
	Issued capital VND	Share premium VND	Treasury shares VND	Other reserves VND	Retained earnings VND	Total VND			
Balance at 1 January 2008	800,000,000,000	773,354,590,000	-	-	289,819,919,191	1,843,174,509,191	91,911,287,815	1,935,085,797,006	
Changes in accounting policy (Note 2.4)	-	-	-	-	953,214,113,125	953,214,113,125	-	953,214,113,125	
Balance at 1 January 2008 (restated)	800,000,000,000	773,354,590,000	-	-	1,223,034,032,316	2,796,388,622,316	91,911,287,815	2,888,299,910,131	
Profit for the year (restated)	-	-	-	-	291,316,827,038	291,316,827,038	(1,585,820,995)	289,731,006,043	
Other comprehensive income	-	-	-	-	-	-	-	-	
Total comprehensive income (restated)	-	-	-	-	291,316,827,038	291,316,827,038	(1,585,820,995)	289,731,006,043	
Shares issued during the year	399,831,560,000	-	-	-	-	399,831,560,000	-	399,831,560,000	
Acquisition of non-controlling interest	-	-	-	-	(131,725,993,204)	(131,725,993,204)	-	(131,725,993,204)	
Excess proceed from sale of Hai Phong Land JSC	-	30,934,342,212	-	-	-	30,934,342,212	-	30,934,342,212	
Purchase of treasury shares	-	-	(869,327,434,323)	-	-	(869,327,434,323)	-	(869,327,434,323)	
Capital contribution by non- controlling interests	-	-	-	-	-	-	33,289,000,000	33,289,000,000	
Transferred to other reserves	-	-	-	8,330,918	(8,330,918)	-	-	-	
Elimination of non-controlling interest on disposal of subsidiary	-	-	-	-	-	-	(422,136,491)	(422,136,491)	
Balance at the end of the year (restated)	1,199,831,560,000	804,288,932,212	(869,327,434,323)	8,330,918	1,382,616,535,232	2,517,417,924,039	123,192,330,329	2,640,610,254,368	

Vincom Joint Stock Company

CONSOLIDATED STATEMENT OF CASH FLOWS

for the years ended 31 December 2010, 31 December 2009 and 31 December 2008

		2010	2009	2008
		VND	Restated VND	Restated VND
OPERATING ACTIVITIES				
Profit before tax from continuing operations		7,123,016,148,284	6,429,518,602,914	386,077,900,855
Profit/(loss) before tax from discontinued operations	25	<u>20,677,032,879</u>	<u>21,885,720,493</u>	<u>(3,046,227,121)</u>
Profit before tax		7,143,693,181,163	6,451,404,323,407	383,031,673,734
Non-cash adjustment to reconcile profit before tax to net cash flows				
Depreciation and amortisation	11,12	24,042,329,468	12,068,028,617	7,068,968,978
Unrealised foreign exchange (gain)/loss		(1,307,194,642)	(12,947,242,568)	1,489,440,540
Loss/(profit) on disposal of property and equipment		(2,012,984,795)	813,158,683	(16,147,445,119)
Profit from disposal of investments in subsidiaries and other entities		(483,393,729,645)	(29,336,179,081)	(19,838,601,714)
(Increase)/decrease in fair value of held-for-trading investments		(255,424,528,011)	151,635,902,632	31,668,893,750
Loss on financial liabilities designated as at fair value through profit or loss		434,676,561,883	118,595,508,179	-
Increase in amortized cost of loans and receivables		6,270,959,362	(21,743,748,734)	(4,908,320,086)
Decrease in amortized cost of payables		(9,608,326,811)	(2,453,547,336)	(5,022,435,387)
Interest and dividend income		(543,855,630,483)	(228,124,864,785)	(364,842,883,240)
Interest expense	8.3	554,533,219,167	233,062,545,818	279,310,334,841
Share of profit of associates		(103,084,601,854)	(15,219,355,751)	(1,802,295,648)
Valuation gains on investment property	13,14	(4,215,968,714,893)	(5,265,155,187,026)	(240,215,132,850)
Working capital adjustments:				
Increase in trade and other receivables		(4,407,501,951,813)	(350,876,124,107)	(89,263,495,221)
Decrease /(increase) in inventories		23,256,113,149	10,373,602,642	(25,044,282,615)
(Decrease)/increase in trade and other payables		3,333,291,742,231	(39,640,489,002)	143,815,032,272
Increase in prepayments		(205,039,070,326)	(146,632,066,232)	(30,014,005,553)
Advance to employees		-	-	(153,227,275,638)
Other cash inflows/(outflows) from operating activities		(29,815,698,036)	(890,149,447)	(35,434,445,652)
Income tax paid	9.1	<u>(312,592,412,186)</u>	<u>(49,895,785,316)</u>	<u>(79,391,570,936)</u>
Net cash flows from/(used in) operating activities		<u>950,159,262,928</u>	<u>815,038,330,593</u>	<u>(218,767,845,544)</u>

Vincom Joint Stock Company

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
for the years ended 31 December 2010, 31 December 2009 and 31 December 2008

	2010	2009	2008
Notes	VND	Restated VND	Restated VND
INVESTING ACTIVITIES			
Proceeds from sale of property and equipment	66,348,737,887	1,727,089,650	18,000,000,000
Purchase of property and equipment	(4,667,000,360,776)	(1,648,037,880,903)	(2,150,359,327,624)
Payment for equity investment in other entities	(2,460,222,718,617)	(1,049,269,750,114)	(425,384,253,126)
Deposits for investments in real estate projects	-	-	(153,000,000,000)
Acquisition of subsidiary, net of cash acquired	(361,300,000,000)	(95,092,399,851)	-
Acquisition of other assets	-	(1,359,547,480,406)	-
Short-term deposits for interest gain	(1,600,000,000,000)	(1,050,000,000,000)	-
Redemption of short-term deposit for interest gain	1,250,000,000,000	-	-
Disbursement of loans to related parties and others	(499,000,000,000)	(1,996,294,163,002)	(3,607,495,681,922)
Collection of loans to related parties and others	1,580,792,152,829	981,891,541,000	3,655,889,963,931
Proceeds from disposals of equity investments in other entities, net of cash disposed	441,282,332,777	277,500,000,000	8,688,803,049
Proceeds from disposals of equity investments in other entities	420,500,000,000	-	-
Interest and dividend received	469,012,014,216	116,618,634,891	246,329,774,197
Net cash flows used in investing activities	(5,359,587,841,684)	(5,820,504,408,735)	(2,407,330,721,495)
FINANCING ACTIVITIES			
Proceeds from issue of new shares	377,217,910,000	796,440,820,000	399,831,560,000
Payment for acquisition of treasury shares	(25,657,830,000)	(10,695,069,390)	(869,327,434,323)
Proceeds from sale of treasury shares	1,578,713,500,000	-	-
Capital contribution from non-controlling interest	722,028,823,556	471,600,000,000	32,019,311,498
Payment for acquisition of additional interest in existing subsidiaries	(207,000,000,000)	(16,500,000,000)	(183,447,160,000)
Proceeds from partial disposal of interest in subsidiaries without loss of control	-	279,000,000,000	-
Proceeds from borrowings	3,418,205,875,559	5,874,189,793,788	2,787,800,000,000
Repayment of borrowings	(376,498,497,233)	(379,711,814,727)	-
Interest paid	(1,048,074,859,461)	(554,170,665,973)	(11,419,905,352)
Dividends paid to equity holders of the parent	-	(54,595,630,500)	-
Net cash flows from financing activities	4,438,934,922,421	6,405,557,433,198	2,155,456,371,823
Net increase/ (decrease) in cash and cash equivalents	29,506,343,665	1,400,091,355,056	(470,642,195,216)
Cash and cash equivalents at 1 January	1,453,040,525,340	26,847,972,877	497,490,168,093
Impact of exchange rate fluctuation	-	26,101,197,407	-
Cash and cash equivalents at 31 December	1,482,546,869,005	1,453,040,525,340	26,847,972,877

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Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

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 Hanoi Department of Planning and Investment on 3 May 2002. The Company also received subsequent amended business licenses with the latest, being the 25th amended business license, dated 31 December 2010.

The Company's shares were officially listed on the Ho Chi Minh 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 its business licenses.

The Company's head office is located on the 11th Floor, Vincom City Towers, 191 Ba Trieu Street, Hai Ba Trung District, Ha Noi, Viet Nam and its branch is located at 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam.

Board of Management

The members of the Board of Management during the year and at the date of this report are:

Le Khac Hiep	Chairman
Pham Nhat Vuong	Member
Pham Thuy Hang	Member
Mai Huong Noi	Member
Nguyen Dieu Linh	Member
Pham Van Khuong	Member

The Company has the following subsidiaries:

PFV Investment and Trading Co., Ltd. ("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.

PFV's principal business activities are to construct and provide retail outlets, commercial offices for lease and high-end apartment units for sale. PFV's registered office is on the 11th floor, Vincom City Towers, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam. As at 31 December 2010, 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, Ho Chi Minh City, Vietnam. As at 31 December 2010, the Company holds 75% voting rights in this subsidiary.

On 26 October 2010, the Company's management has approved a plan to dispose the entire investment in VSC.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

1. CORPORATE INFORMATION (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 metres in accordance with Land Use Right 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 2010, 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 Business License No. 0103038194 dated 11 June 2009 and the 2nd Amended Investment Certificate 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 2010, the Company holds 51.98% 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. 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 51% 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 Department of Planning and Investment on 25 September 2009, with a registered chartered capital of VND300 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 64% voting rights in this subsidiary.

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. As at 31 December 2010, the Company holds 51.95% voting rights in this subsidiary.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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1. CORPORATE INFORMATION (continued)

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.

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 on 25 August 2010, with a registered chartered capital of VND 50 billion. 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 2010, the Company holds 70% voting rights in this subsidiary.

As at 31 December 2010, the Company also has investments in associates as presented in Note 7.1.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) as issued by the International Accounting Standard Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for held-for-trading investments and financial liability designated as at fair value through profit or loss, which have been measured at fair value, loans and receivables, that have been measured at amortised cost using the effective interest method, and investment properties which have been measured at fair value. The consolidated financial statements are presented in Vietnam dong ("VND").

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Vincom Joint Stock Company and its subsidiaries as at 31 December 2010.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

2.2 BASIS OF CONSOLIDATION (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- ▶ Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ▶ Derecognises the carrying amount of any non-controlling interest
- ▶ Derecognises the cumulative translation differences, recorded in equity
- ▶ Recognises the fair value of the consideration received
- ▶ Recognises the fair value of any investment retained
- ▶ Recognises any surplus or deficit in profit or loss
- ▶ Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Property acquisitions and business combinations

Where property is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. The basis of the judgement is set out in Note 3.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, corporate acquisitions are accounted for as business combinations.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) *Business combinations and goodwill*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) *Business combinations and goodwill* (continued)

Goodwill is initially measured at cost being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

b) *Investment in an associate*

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

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

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) *Interest in a joint venture*

The Group has an interest in a joint venture whereby there is a contractual agreement that establishes joint control over the economic activities of the entity. The Group recognizes its interest in the joint venture using the equity accounting method, where it is recognized to present its aggregate share of the profit or loss of joint ventures on the face of its income statement. Also, the investment needs to be presented as non-current assets on the face of the consolidated statement of financial position. The financial statements of the joint venture are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of joint control and provided the former joint control entity does not become a subsidiary or associate, the Group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former jointly controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss. Where the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

d) *Foreign currency translation*

The Group's consolidated financial statements are presented in Vietnam dong, which is also the functional currency of the parent company and its subsidiaries. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the income statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

e) *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, excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Rental income

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) *Revenue recognition* (continued)

Interest income

Interest income is recognised as it accrues using the effective interest rate method.

Service charges and expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue, as the management considers that the Group acts as principal in this respect.

Gains from securities trading

Gains from securities trading 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.

Dividends

Revenue is recognised when the Group's right to receive the payment is established.

Sale of completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

A property is also regarded as sold when the significant risks and returns have been transferred to the buyer under those agreements which are under the legal form of a lease.

Sales of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the management considers whether the contract comprises:

- ▶ A contract to construct a property, or
- ▶ A contract for the sale of a completed property

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- ▶ The buyer controls the work in progress, typically when the land on which the development is taking place is owned by the final customer; and
- ▶ All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically when buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts 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 goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- ▶ Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

g) *Non-current assets held for sale and discontinued operations*

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous years, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance cost in the income statement.

The Group evaluated its financial assets at fair value through profit and loss (held for trading) whether the intent to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is recognised in the income statement in finance costs and removed from the available-for-sale reserve.

The Group evaluated its available-for-sale financial assets whether the ability and intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent significantly changes to do so in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and has the intent and ability to hold these assets for the foreseeable future or maturity. The reclassification to held to maturity is permitted only when the entity has the ability and intent to hold until the financial asset accordingly.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to the income statement.

Vincom Joint Stock Company

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- ▶ The rights to receive cash flows from the asset have expired
- ▶ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments – initial recognition and subsequent measurement (continued)

ii) Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments – initial recognition and subsequent measurement (continued)

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft, loans and borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the income statement.

The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the income statement.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments – initial recognition and subsequent measurement (continued)

iii) **Financial liabilities** (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

iv) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position 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.

v) **Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

i) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

j) 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 income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) *Property and equipment*

Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and structures	5 years
Machinery and equipment	3 to 6 years
Motor vehicles	3 to 10 years
Office equipment	3 to 5 years
Others	4 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

l) *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IFRIC 4.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised as from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

n) Investment property

Investment property comprises completed property and property under construction or re-development held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise. Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised when either they have been disposed of or when the investment property is 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 asset is recognised in the income statement in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) *Investment property* (continued)

Investment property under construction

In May 2008, the IASB revised the scope of IAS 40 *Investment Property* such that investment property under development is classified as investment property and is measured at fair value. As set out in Note 2.4 - the amendment to IAS 40 investment property, effective from 1 January 2009, investment property under construction ("IPUC") is measured at fair value (subject to fair value being reliably determinable). When assessing whether the fair value of investment property under construction can be determined reliably, the Group considers, among other things:

- (i) Have construction contracts with the contractors been signed?
- (ii) Are the required building, letting and construction permits obtained?
- (iii) Can development costs be reliably estimated?

Investment property under construction for which fair value cannot be determined reliably, is measured at cost less impairment.

The fair values of IPUC were determined at the end of the reporting period based on the opinion of a qualified independent valuer and valuations were performed in accordance with International Valuation Standards Committee ("IVSC") using either the residual method approach or discounted cash flow approach, as deemed appropriate by the valuator. Each investment property under construction is individually assessed.

The estimated value of future assets is based on the expected future income from the project, using risk adjusted discount rates that are higher than the current discount rates of similar completed property. The remaining expected costs of completion plus margin are deducted from the estimated future assets value.

In the comparative period to 31 December 2008, investment property under construction was dealt with under IAS 16 and recorded at cost, net of accumulated impairment losses, until development was complete, at which time, the property became investment property. When a property development was completed, it was reclassified as investment property and a fair value adjustment was recognised in the consolidated income statement.

o) *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalised and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) *Intangible assets* (continued)

Amortisation is calculated on a straight line basis over the useful life of the assets as follows:

Land rental rights	20 years
Computer software	3 years

Intangible assets which are land use rights with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

p) *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.

Non refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

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

The cost of inventory 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 property sold.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q) *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q) *Impairment of non-financial assets* (continued)

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

r) *Cash and cash equivalents*

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short term deposits with an original maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

Application of the fair value model for investment properties

The Group has reassessed its accounting policy with regard to the subsequent measurement of investment properties. The Group previously applied the cost model in subsequent measurement of its investment properties. During 2010, the Group has adopted a change in its accounting policy and apply the fair value model for subsequent measurement of its investment properties. The Group's management believes that this change provides reliable and more relevant information about the effects of transactions and economic conditions involving investment properties on the Group's financial position and financial performance. The change in accounting policy has been applied retrospectively in accordance with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Investment properties under construction for future use as investment properties will also be measured at fair value with changes in fair value being recognised in the consolidated income statement when fair value can be determined reliably. However, where fair value is not reliably determinable, the investment properties under construction are measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably determinable.

As a result of the voluntary accounting policy change, the following adjustments were made to the consolidated financial statements:

As of 1 January 2008:

Increase in completed investment properties: VND 1,277,326,172,090
Decrease in long-term prepayment: VND 6,374,021,257
Increase in deferred tax liabilities: VND 317,738,037,708
Increase retained earnings: VND 953,214,113,125

As of and for the year ended 31 December 2008:

Increase in completed investment properties: VND 1,530,987,020,859
Decrease in long-term prepayment: VND 6,231,052,559
Increase in deferred tax liabilities: VND 381,188,992,075
Increase retained earnings: VND 1,143,566,976,225
Increase in valuation gains from completed investment properties: VND 240,072,164,153
Decrease in cost of sales: VND 13,731,653,314
Increase in income tax expense: VND 63,450,954,367
Increase in basic earning per share: VND 591

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

Application of the fair value model for investment properties (continued)

As of and for the year ended 31 December 2009:

Increase in completed investment properties: VND 2,144,925,851,959
Increase in investment properties under construction: VND 7,496,456,217,883
Decrease in construction in progress: VND 2,720,446,332,292
Decrease in long-term prepayment: VND 114,625,553,542
Increase in deferred tax liabilities: VND 1,701,577,546,002
Increase in retained earnings: VND 5,041,654,697,254
Increase in non-controlling interest: VND 63,077,940,752
Increase in valuation gains from completed investment properties: VND 489,002,332,738
Investment in valuation gains from investment properties under construction: VND 4,776,009,885,591
Decrease in cost of sales: VND 16,541,997,378
Increase in income tax expense: VND 1,320,388,553,927
Increase in basic earning per share: VND 12,154

As of and for the year ended 31 December 2010:

Increase in completed investment properties: VND 10,015,524,718,110
Increase in investment properties under construction: VND 3,061,020,480,206
Decrease in construction in progress: VND 2,091,936,265,382
Decrease in long-term prepayment: VND 112,182,784,070
Increase in deferred tax liabilities: VND 2,718,106,537,216
Increase in retained earnings: VND 7,836,627,919,357
Increase in non-controlling interest: VND 317,691,692,291
Increase in valuation gains from completed investment properties: VND 3,246,884,500,069
Investment in valuation gains from investment properties under construction: VND 969,084,214,825
Decrease in cost of sales: VND 49,539,592,269
Increase in income tax expense: VND 1,016,528,991,214
Increase in basic earning per share: VND 8,283

New and amended standards and interpretations

The following new and amended IFRS and IFRIC interpretations were adopted from 1 January 2010:

- ▶ IFRS 2 *Share-based Payment: Group Cash-settled Share-based Payment Transactions* effective 1 January 2010
- ▶ IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* effective 1 July 2009
- ▶ IFRIC 17 *Distributions of Non-cash Assets to Owners* effective 1 July 2009
- ▶ Improvements to IFRSs (May 2008)
- ▶ Improvements to IFRSs (April 2009)

The adoption of the standard or interpretations is described below:

IFRS 2 *Share-based Payment (Revised)*

The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. The Group adopted this amendment as of 1 January 2010. It did not have an impact on the financial position or performance of the Group.

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2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

IFRIC 17 Distribution of Non-cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either the financial position nor performance of the Group.

Improvements to IFRSs

In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

Issued in May 2008

- ▶ ***IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:*** clarifies that when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively and has no impact on the financial position nor financial performance of the Group.

Issued in April 2009

- ▶ ***IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:*** clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations. As a result of this amendment, the Group no longer discloses segment information as it is disposing the financial services segment and its continuing operations comprise only the real estate segment.
- ▶ ***IAS 7 Statement of Cash Flows:*** states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will impact amongst others, the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2010 upon cash settlement.
- ▶ ***IAS 36 Impairment of Assets:*** the amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the Group as there is currently no goodwill to be tested.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

Issued in April 2009

- ▶ ***IFRS 2 Share-based Payment***
- ▶ ***IAS 1 Presentation of Financial Statements***
- ▶ ***IAS 17 Leases***

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Improvements to IFRSs (continued)

- ▶ IAS 34 *Interim Financial Reporting*
- ▶ IAS 38 *Intangible Assets*
- ▶ IAS 39 *Financial Instruments: Recognition and Measurement*
- ▶ IFRIC 9 *Reassessment of Embedded Derivatives*
- ▶ IFRIC 16 *Hedge of a Net Investment in a Foreign Operation*

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements other than estimates

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

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 IAS 40 about ancillary services.

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.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the goodwill by reference to the cash generating units to which the goodwill is allocated. Estimating the recoverable amount is by reference to the higher of fair value less costs to sell and 'value in use'. A value in use calculation requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present values of those cash flows.

Classification of property

The Group determines whether a property is classified as investment property or inventory property:

- ▶ Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

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3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements other than estimates (continued)

- ▶ Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property and office building that the Group develops and intends to sell before or on completion of construction.

Operating lease contracts – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these property and so accounts for the leases as operating leases.

Taxes

Significant judgement is required to determine the total provision for current and deferred taxes.

There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain. In particular, when calculating deferred taxation, the effective tax rate applicable on the temporary differences in investment property depends on the method by which the carrying amount of investment property will be realised.

The Group recognises liabilities for current taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made. Deferred tax assets and liabilities are recognised on a net basis to the extent they are relating to the same fiscal unit and fall due in approximately the same period.

Estimates

Estimation of net realisable value for inventory

Inventory is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in the light of recent market transactions.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property and less estimated costs to complete construction.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the prevailing conditions.

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3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates (continued)

Valuation of property

The fair value of investment property is determined by independent real estate valuation experts using recognised valuation techniques. These techniques comprise both the Yield Method and the Discounted Cash Flow Method. In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of the Group assets.

Investment property under construction is also valued at fair value as determined by independent real estate valuation experts, except if such values cannot be reliably determined. In the exceptional cases when a fair value cannot be reliably determined, such properties are recorded at cost. The fair value of investment properties under construction is determined using either the Discounted Cash Flow Method or the Residual Method.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risks) are also taken into consideration when determining the fair value of investment properties under construction. These estimates are based on local market conditions existing at reporting date.

There is a certain degree of volatility in the commercial real estate market in Vietnam. Therefore, in arriving at their estimates of market values as at 31 December 2010, 31 December 2009, 31 December 2008 and 1 January 2008, the valuers used their market knowledge and professional judgement and did not rely solely on historical transactional comparables. In these circumstances, there was a greater degree of uncertainty than which exists in a more active market in estimating the market values of investment property.

The significant methods and assumptions used by the valuers in estimating the fair value of investment property are set out in Notes 13 and 14.

Fair value of financial assets and liabilities

As verifiable market prices are not available for a significant portion of the Group's financial assets and liabilities, the fair value that represents the amount which an asset can be exchanged and liabilities settled on an arms-length basis have been estimated by the Group's management according to the profile of the asset and liability base. In the opinion of the management, the carrying amount of the financial assets and liabilities included in the consolidated statement of financial position are reasonable estimation of their fair values.

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4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Group after initial application.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRIC 14 Prepayments of a minimum funding requirement (Amendment)

The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the financial statements of the Group.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss. The adoption of this interpretation will have no effect on the financial statements of the Group.

Vincom Joint Stock Company

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4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Improvements to IFRSs (issued in May 2010)

The IASB issued *Improvements to IFRSs*, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011. The amendments listed below, are considered to have a reasonable possible impact on the Group:

- ▶ IFRS 3 *Business Combinations*
- ▶ IFRS 7 *Financial Instruments: Disclosures*
- ▶ IAS 1 *Presentation of Financial Statements*
- ▶ IAS 27 *Consolidated and Separate Financial Statements*
- ▶ IFRIC 13 *Customer Loyalty Programmes*

The Group, however, expects no impact from the adoption of the amendments on its financial position or performance.

5. BUSINESS COMBINATION

Acquisitions and disposals in 2010

Acquisition of Thien An Investment Trading and Development Joint Stock Company ("Thien An")

The Group, through Royal City, a subsidiary, acquired 50% voting shares in Thien An on 18 January 2010. Subsequently, the Group acquired an additional 0.8% voting shares in Thien An on 15 March 2010.

Management has assessed that the acquisition of Thien An is an acquisition of a group of assets, rather than a business acquisition. Accordingly, the total consideration paid was allocated to the assets acquired based on the relative fair value of the acquired assets on acquisition date. A non-controlling interest is also recognized at their proportion of the interest in the assets acquired.

Partial disposal of Lucky Investment Group Joint Stock Company ("LIG")

On 8 June 2010, the Group, through PFV, a subsidiary, disposed 25% voting shares in LIG and reduced the Group's voting shares in LIG from 66% to 41%. The Group, therefore, lost control in LIG on that date. A gain of VND17,707,081,893 was recognised in the consolidated income statement on the disposal date.

On 23 November 2010, the Group, through Royal City, disposed an additional 18% voting shares in LIG and reduced the Group's voting shares in LIG to 23%. A gain of VND78,084,393,429 was recognised in the consolidated income statement on the disposal date.

Acquisition of additional interest in Ngoc Viet Real Estate Joint Stock Company ("Ngoc Viet")

On 4 June 2010, the Group, through Hai Phong Land, a subsidiary, acquired 10% equity interest in Ngoc Viet and increase the Group's shares in this associate from 35.8% to 45.8%. On 14 September 2010, the Group acquired an additional 34.2% shares in Ngoc Viet to increase the Group's voting shares in Ngoc Viet to 80%.

Management has assessed that the acquisition of Ngoc Viet is an acquisition of a group of assets, rather than a business acquisition. Accordingly, the total consideration paid was allocated to the assets acquired based on the relative fair value of the acquired assets on acquisition date. A non-controlling interest is also recognized at their proportion of the interest in the assets acquired.

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5. BUSINESS COMBINATION (continued)

Merger of Ecology Developing and Investment Joint Stock Company ("Sinh Thai"), Thien An, LIG, Ngoc Viet and Hanoi Investment and General Services Joint Stock Company ("IGS")

On 20 December 2010, the shareholders of five entities, including Sinh Thai, Thien An, LIG, Ngoc Viet and IGS, have completed the merger of these five entities. The merger was carried out to reduce management burden since these five entities are not operating in the Group's core businesses.

According to the merger agreement, all shareholders of four entities (Ngoc Viet, LIG, IGS, Thien An) agreed to swap their shares in these four entities for new shares in Sinh Thai. In return, Sinh Thai has issued new shares to the shareholders of these four entities in exchange for 100% ownership interests over these four entities. The swap rate determined by the shareholders is 1:1. All four entities were dissolved and their assets and liabilities were merged into Sinh Thai on the merger date, 20 December 2010.

Prior to the merger, the Group was the controlling shareholders in Ngoc Viet and Thien An and it also holds significant influence in LIG and Sinh Thai. After the merger, the Group lost control in Ngoc Viet and Thien An, lost significant influence in LIG and in return, the Group increased its ownership interest in Sinh Thai to 44.98%.

Management has assessed that all five entities involved in the merger do not meet the definition of a business, but groups of assets and therefore, the merger is not a business combination, but an exchange of Group's interest in certain groups of assets for interest in another group of assets. A gain of VND112,656,357,684 was recognised in the consolidated income statement on the merger date as a result of this exchange transaction.

Changes in ownership interest in an existing subsidiary, Hanoi South

During 2010, the Group held a controlling interest in Hanoi South through its direct holding of 44.15% voting shares and indirect holding through other subsidiaries (LIG: 11.8% and Ngoc Viet: 33.2% voting shares). Following are changes in ownership interest in Hanoi South during the year 2010 due to the equity transactions involving LIG and Ngoc Viet:

- ▶ On 8 June 2010, the Group has disposed 25% voting shares in LIG and thereby, lost control in this entity, including the 11.8% voting shares in Hanoi South. The Group's ownership interest in Hanoi South dropped to 44.15%;
- ▶ On 14 September 2010, the Group obtained control in Ngoc Viet, and therefore, the 33.2% voting shares in Hanoi South owned by Ngoc Viet. The Group's ownership interest in Hanoi South increased to 77.35%;
- ▶ On 20 December 2010, following the Sinh Thai merger, the Group again lost control over the 33.2% voting shares in Hanoi South owned by Ngoc Viet. The Group's ownership interest in Hanoi South dropped to 44.15%;
- ▶ On 28 December 2010, the Group directly acquired 7.8% voting shares in Hanoi South from a non-controlling shareholder to increase its ownership interest in Hanoi South to 51.95%.

Management has assessed that the Group has been retaining control in Hanoi South as a subsidiary through out the year 2010, even when its ownership interest in Hanoi South dropped to 44.15%, since it has the power to appoint majority positions in the Board of Management of Hanoi South, as well as the General Director and the Chief Accountant.

As a result, the Group has been accounting for changes in the ownership interest in Hanoi South as equity transactions between owners. A net loss of VND 286,313,419,825 was recognized directly in retained earnings on these equity transactions involving Hanoi South.

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5. BUSINESS COMBINATION (continued)

Acquisition and disposal in 2009

Partial disposal of interest in PFV Investment and Trading JSC ("PFV")

In June and July 2009, the Group partially disposed 20% of the voting shares of PFV, reducing its ownership to 74.41%. Cash consideration of VND279,000,000,000 was received. The book value of the interest disposed was VND122,369,089,876. The difference of VND156,630,910,124 between the consideration and the book value of the interest disposed has been recognised in retained earnings within equity.

Acquisition of additional interest in Vincom Securities JSC ("VSC")

In June 2009, the Group acquired an additional 5% of the voting shares of VSC, taking its ownership to 75%. Cash consideration of VND16,500,000,000 was paid. The book value of the net assets of VSC at this date was VND323,807,115,508, and the book value of the additional interest acquired was VND16,190,355,775. The difference of VND309,644,225 between the consideration and the book value of the interest acquired has been recognised in retained earnings within equity.

Acquisition of LIG

In November and December 2009, the Group has carried out a number of acquisitions of the shares in LIG through two of its subsidiaries, i.e. PFV and Royal City and by 1 December 2009, the Group has acquired 66% voting shares in LIG.

Management has assessed that the acquisition of LIG is the acquisition of a group of assets, rather than a business acquisition. Accordingly, the total consideration paid was allocated to the assets acquired based on the relative fair value of the acquired assets on acquisition date. A non-controlling interest is also recognized at their proportion of the interest in the assets acquired.

Acquisition of additional interest in Hanoi South

The Group previously held 44.15% voting shares in Hanoi South and on 1 December 2009, through the acquisition of LIG, the Group also obtained control over 11.8% voting shares in Hanoi South which is owned by LIG.

Management has assessed that the acquisition of Hanoi South is the acquisition of a group of assets, rather than a business acquisition. Accordingly, the total consideration paid was allocated to the assets acquired based on the relative fair value of the acquired assets on acquisition date. A non-controlling interest is also recognized at their proportion of the interest in the assets and liabilities acquired.

The Group has acquired Hanoi South in order to expand its real estate operations in Vietnam since Hanoi South has the right to develop a real estate project located in Hanoi.

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5. BUSINESS COMBINATION (continued)

Changes in ownership interest in Hai Phong Land

On 1 January 2008, the Company acquired an 89.35% equity interest in Hai Phong Land JSC. Cash consideration of VND45.6 billion was paid. The acquisition of Hai Phong Land JSC was made with an aim to develop an office and apartment building complex, namely the Vincom Plaza, at 4 Le Thanh Tong Street, May To Ward, Ngo Quyen District, Hai Phong City. This project is planned on a land area of 9,125 square metres granted to Hai Phong Land JSC in accordance with the Land Use Right Certificate No.T00498 issued by the Hai Phong People's Committee on 23 January 2008 and the Investment Certificate dated 10 April 2008. A non-controlling interest is recognized at their proportion of the interest in Hai Phong Land.

On 15 February 2008, the Company disposed of a 9.35% equity interest in Hai Phong Land JSC to other partners for a cash consideration of VND4.8 billion. The partial disposal was made due to revisions in management's project master plan in view of unfavourable market conditions.

During the period from 20 February 2008 to 12 June 2008, the Company injected VND238.4 billion of cash, being its proportionate equity interest in Hai Phong Land JSC.

On 11 December 2008, the Company disposed of a 31% equity interest in Hai Phong Land JSC to related parties. Cash consideration of VND139.5 billion was received and the Company credited an amount of VND30,934,342,212 to "excess proceed from sale of Hai Phong Land JSC" account in equity. As a result of this disposal of equity interest, the Company's effective equity interest in Hai Phong Land JSC is 49%. The management considers this as an investment in associate and the carrying value of this investment under the equity method at this date is as follows:

	<i>31 December 2008</i>
	VND
Beginning balance	-
Increase during the year	171,042,355,904
Disposal during the year	-
Ending balance	<u>171,042,355,904</u>

On 25 July 2009, the Group reacquired an additional 41% interest in Hai Phong Land JSC with land use rights through its subsidiary, PFV Investment and Trading Company Limited, which increased its voting rights to 90% in order to develop Hai Phong Land JSC's real estate business. The total consideration for this additional equity interest is VND363 billion. Hai Phong Land JSC was previously a state owned enterprise operating in the processing of food and agricultural products business, with a land rental contract from the government to lease a land area of 9,125 square meters for a period of 30 years (from 1999 to 2029).

Management has reviewed and assessed that the acquisition of Hai Phong Land JSC is the acquisition of a group of assets, rather than a business acquisition. Accordingly, the total consideration paid was allocated to the assets acquired based on the fair value on acquisition date, with the remaining consideration being allocated to the value of the land rental right. A non-controlling interest is also recognized at their proportion of the interest in the assets acquired. These assets are presented in the same categories as other similar assets held by the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

5. BUSINESS COMBINATION (continued)

Acquisition in 2008

Acquisition of additional interest in PFV Investment and Trading JSC ("PFV")

In June 2008, the Group acquired an additional 11.29% of the voting shares of PFV, taking its ownership to 94.41%. Cash consideration of VND183,447,160,000 was paid. The book value of the net assets of PFV at this date was VND456,650,000,000, and the book value of the additional interest acquired was VND51,721,166,796. The difference of VND131,725,993,204 between the consideration and the book value of the interest acquired has been recognised in retained earnings within equity.

6. INTEREST IN JOINT VENTURE

The Group has 75% interest in a business co-operation contract with Vietnam Toursim Joint Stock Company and for the development of a real estate property located at 180-192 Nguyen Cong Tru street, Nguyen Thai Binh ward, District 1, Ho Chi Minh City.

The development of the property was completed in 2010 and the property was disposed of in December 2010. The Group has recognised a gain of VND363,917,267,772 from the disposal of the investment in this joint venture.

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7. INVESTMENT IN ASSOCIATES

The carrying value of the investments in associates using the equity method is as follows:

	Vinpearl Hoi An VND	Vietnam Tourism VND	CFT VND	Sinh Thai VND	Green City VND	Ngoc Viet VND	Thang Long VND	Others (*) VND	Total VND
As at 1 January 2010	237,847,184,693	80,388,188,407	11,110,460,329	-	-	165,774,810,187	-	275,095,701,503	770,216,345,119
Investment during the year	-	-	-	-	-	-	-	-	-
Transferred from long-term investment	-	-	-	839,300,000,000	480,000,000,000	30,000,000,000	-	-	1,349,300,000,000
Transferred from investment in subsidiary upon losing control	-	-	-	-	-	-	17,500,000,000	-	17,500,000,000
Transfer to investment in subsidiary upon obtaining control	-	-	-	-	-	-	-	538,105,866,593	538,105,866,593
Increased upon merger	-	-	-	-	-	-	-	-	-
Disposed during the year	(79,738,285,801)	-	-	1,723,043,922,923	-	-	-	-	1,723,043,922,923
Liquidated during the year	-	-	-	-	-	-	-	(756,928,256,515)	(836,666,542,316)
Treasury shares	(41,106,992,845)	-	-	(562,639,914,014)	-	-	-	-	(603,746,906,859)
Share of profit/(loss) from associates	(3,684,639,053)	(40,401,235,679)	1,063,996,677	124,738,451,148	5,375,621,818	3,405,902,303	481,328,271	12,105,176,370	103,084,601,855
Others	-	-	-	(3,630,853,626)	-	-	-	(159,327,727)	(3,790,181,353)
As at 31 December 2010	113,317,266,994	39,986,952,728	12,174,457,006	2,120,811,606,431	485,375,621,818	-	17,981,328,271	-	2,789,647,233,248

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

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7. INVESTMENT IN ASSOCIATES (continued)

	Vinpearl Hoi An VND	Vietnam Tourism VND	CFT VND	Hai Phong Land VND	Hanoi South VND	Ngoc Viet VND	Others (*) VND	Total VND
As at 1 January 2009	60,465,690,397	70,347,763,425	9,465,406,176	171,042,355,904	47,695,392,174	70,960,670,708	179,832,076,818	609,809,355,602
Investment during the year	174,000,000,000	-	-	-	-	84,745,448,000	198,750,000,000	457,495,448,000
Transferred to investment in subsidiary upon obtaining control	-	-	-	(164,328,556,750)	(47,695,392,174)	-	-	(212,023,948,924)
Disposal during the year	-	-	-	-	-	-	(98,765,747,715)	(98,765,747,715)
Dividends received	-	(794,682,684)	(900,000,000)	-	-	-	-	(1,694,682,684)
Share of profit/(loss) from associates	3,381,494,296	10,835,107,666	2,527,816,790	(6,713,799,154)	-	10,068,691,479	(4,879,955,326)	15,219,355,751
Others	-	-	17,237,363	-	-	-	159,327,726	176,565,089
As at 31 December 2009	237,847,184,693	80,388,188,407	11,110,460,329	-	-	165,774,810,187	275,095,701,503	770,216,345,119

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

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7. INVESTMENT IN ASSOCIATES (continued)

	Vinpearl Hoi An VND	Vietnam Tourism VND	CFT VND	Hai Phong Land VND	Hanoi South VND	Ngoc Viet VND	Others (*) VND	Total VND
As at 1 January 2008	-	68,910,400,000	-	-	-	-	-	68,910,400,000
Investment during the year	60,000,000,000	-	9,000,000,000	284,027,500,000	47,695,392,174	70,000,000,000	181,000,000,000	651,722,892,174
Disposal during the year	-	-	-	(112,985,144,096)	-	-	-	(112,985,144,096)
Share of profit/(loss) from associates	465,690,397	1,437,363,425	465,406,176	-	-	960,670,708	(1,526,835,057)	1,802,295,649
Others	-	-	-	-	-	-	358,911,875	358,911,875
As at 31 December 2008	60,465,690,397	70,347,763,425	9,465,406,176	171,042,355,904	47,695,392,174	70,960,670,708	179,832,076,818	609,809,355,602

(*): comprises investments in associates that were either disposed or dissolved in 2009 or 2010

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7. INVESTMENT IN ASSOCIATES (continued)

7.1 Details of investment in associates

(i) *Vietnam Tourism Joint Stock Company in Ho Chi Minh 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, Ho Chi Minh City, Vietnam. The Group holds 21% voting rights in this associate at 31 December 2010.

Vietnam Tourism has been granted with a land use rights over a 2,146 square meter land area at 180-192 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, for 49 years up to 14 November 2057 in accordance with Land Use Rights Certificate No.T00533 dated 2 January 2008. Vietnam Tourism has obtained an approval for the construction and development of an office building for lease on this land area.

The Group also entered into a business co-operation contract with Vietnam Tourism to develop an office building on this land area (See Note 6). The construction of this office building was completed, and the building was sold, in 2010.

(ii) *Vinpearl Hoi An Tourism - Investment 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 Group's voting rights in this associate is 24% at 31 December 2010.

Vinpearl Hoi An has right to use a land area of 70,277 square metre for a term of up to 25 December 2053 as per Land Use Right Certificate No. T-01354 issued by Quang Nam People's Committee on 28 August 2008. Such land area will be used for the development of an eco-tourist resort, namely Vinpearl Hoi An, at Phuoc Hai, Cua Dai Commune, Hoi An, Quang Nam Province. The construction work for this project commenced in October 2008.

(iii) *Ngoc Viet Land Joint Stock Company ("Ngoc Viet")*

Ngoc Viet, previously known as BIDV-Land, is a joint stock company established in accordance with Business License No. 0103021244 dated 11 December 2007, and the third amended business license dated 17 September 2009, with a registered chartered capital of VND500 billion. Its principal activities are civil and industrial construction, construction of airports, sea ports, highways and other businesses. The registered office address of this company is at 9 Dao Duy Anh Street, Phuong Lien Ward, Dong Da District, Hanoi, Vietnam.

As at 31 December 2009, the Group's equity interest in Ngoc Viet is 35.8%. As disclosed in Note 5, the Group directly acquired an additional 34.2% voting rights on 14 September 2010 and indirectly acquired, through Hai Phong Land, a subsidiary, an additional 10% voting rights on 4 June 2010 and turned Ngoc Viet into a legal subsidiary. Subsequently, on 20 December 2010, Ngoc Viet was dissolved and its assets and liabilities were merged into Sinh Thai (See Note 5).

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as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

7. INVESTMENT IN ASSOCIATES (continued)

7.1 Details of investment in associates (continued)

(iv) *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, Ho Chi Minh city, Vietnam. The Group holds 30% voting rights in this associate at 31 December 2010.

(v) *Ecology Developing and Investment JSC ("Sinh Thai")*

Sinh Thai 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.

(vi) *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 Ho Chi Minh'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, One District, Ho Chi Minh City. The Group's voting rights in this associate is 24% at 31 December 2010.

(vii) *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 2010, the Group holds 35% voting rights in this associate.

(viii) *Other associates*

Mega Global Corporation Investment and Trading Joint Stock Company ("MGC")

MGC is a joint stock company established in accordance with Business License No. 4103007448 dated 1 August 2007, with a registered chartered capital of VND175 billion. Its principal activities are property development, provision of apartment and office for lease and other businesses. The registered office address of this company is at 24 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

In 2010, MGC had been liquidated in accordance with approval of Board of Management of Vincom JSC on 18 July 2009.

Vincom Joint Stock Company

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7. INVESTMENT IN ASSOCIATES (continued)

7.1 Details of investment in associates (continued)

(viii) Other associates (continued)

PCM Joint Stock Company ("PCM")

PCM, previously known as Vincom Construction Consultancy and Management Joint Stock Company, was established in accordance with Business License No. 0103012410 dated 31 May 2006, and the fourth amended Business License on 2 July 2009, with a registered chartered capital of VND55 billion. Its principal activities are to provide consultancy service on construction management; to supervise and execute of civil, industrial and infrastructure construction projects, construction completion, construction quality verification; to construct civil, industrial and infrastructure projects in urban area; to trade cultural and information products; to provide printing and related services; to organize events; to act as goods trading agency; to import and export goods and other businesses. The registered office address of this company is at 191 Ba Trieu, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam.

On 6 September 2010, the Company disposed all of 20% voting rights in this associate to an individual for a consideration of VND11 billion.

Entertainment World Joint Stock Company ("World Game")

World Game is a joint stock company established in accordance with Business License No. 0103024030 dated 22 April 2008, and the first amended business license dated 23 July 2009, with a registered chartered capital of VND15 billion. Its principal activity is to operate a children gaming center. The registered office address of this company is at 191 Ba Trieu, Hai Ba Trung district, Hanoi.

On 26 July 2010, the Company disposed all of 30% voting rights in this associate to an individual for a consideration of VND6.75 billion.

Vincharm Service & Development Joint Stock Company ("Vincharm")

Vincharm is a joint stock company established in accordance with Business License No. 0103038728 dated 12 July 2005, and the 12th amended business license dated 26 August 2009, with a registered chartered capital of VND400 billion. Its principal activities are real estate trading & broking, leasing, spa services, industrial - agricultural - construction machine trading & others. The registered office address of this company is at 191 Ba Trieu, Hai Ba Trung District, Hanoi.

On 14 September 2010, the Company disposed all of 40% voting rights in this associate to an individual for a consideration of VND200 billion.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

7. INVESTMENT IN ASSOCIATES (continued)

7.2 Summarized financial information of the associates

Details of summarized financial information of the associates as at 31 December 2010, 31 December 2009 and 31 December 2008 and for the years then ended are as below:

	2010 VND	2009 VND	2008 VND
Current assets	6,235,449,074,799	936,571,591,035	401,169,397,649
Non-current assets	6,412,432,943,749	180,521,999,975	69,060,266,764
Current liabilities	3,323,540,239,894	729,389,962,039	321,457,078,877
Non-current liabilities	3,723,348,679,816	5,616,841,735	19,273,682,829
Equity	<u>5,600,993,098,838</u>	<u>382,086,787,236</u>	<u>129,498,902,707</u>
Revenue	238,667,469,873	254,601,335,253	133,013,480,429
Profits	<u>28,956,177,323</u>	<u>24,302,246,958</u>	<u>9,585,321,744</u>

8. OTHER INCOME/EXPENSES AND ADJUSTMENTS

8.1 Other operating income

	2010 VND	2009 Restated VND	2008 Restated VND
Gain on disposal of interest in join venture (see Note 6)	363,917,267,772	-	-
Proceeds from disposal of assets and tools	66,348,737,887	206,689,826	18,000,000,000
Contract penalties	10,088,766,606	-	-
Gain on Sinh Thai merger	112,656,357,684	-	-
Gain on disposal of investments in subsidiaries and other entities	104,616,207,020	28,734,252,285	6,939,378,144
Others	9,674,350,226	4,221,912,281	5,077,181,967
Total other operating income	<u>667,301,687,195</u>	<u>33,162,854,392</u>	<u>30,016,560,111</u>

8.2 Other operating expenses

	2010 VND	2009 Restated VND	2008 Restated VND
Cost of disposal of fixed assets and tools	(64,335,753,092)	(366,322,145)	(1,852,554,825)
Loss on disposal of investments in other entities	(8,345,999,655)	-	-
Loss on disposal of investments in subsidiary	(89,450,103,176)	-	-
Contract penalties	(653,769,558)	-	-
Others	(6,413,267,405)	(1,110,890,592)	(7,813,536,795)
Total other operating expenses	<u>(169,198,892,886)</u>	<u>(1,477,212,737)</u>	<u>(9,666,091,620)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

8. OTHER INCOME/EXPENSES AND ADJUSTMENTS (continued)

8.3 Financial costs

	2010	2009	2008
	VND	Restated VND	Restated VND
Interest on debts and borrowings	(554,533,219,167)	(233,062,545,818)	(280,080,827,768)
Change in fair value of held for trading securities	(3,516,479,212)	(120,506,350,240)	(27,967,205,500)
Change in amortised costs of loans/receivables	(915,344,570)	(6,014,275,217)	(3,911,399,244)
Other finance costs	(79,926,077,405)	(24,864,013,775)	(24,534,894,261)
Total financial costs	<u>(638,891,120,354)</u>	<u>(384,447,185,050)</u>	<u>(336,494,326,773)</u>

8.4 Financial income

	2010	2009	2008
	VND	Restated VND	Restated VND
Interest income on term deposits	148,303,028,017	10,070,589,388	19,249,613,683
Interest income on loans	392,749,464,212	189,575,044,833	308,210,914,111
Dividend income	2,803,138,254	1,199,299,068	4,328,117,118
Changes in amortised cost of loans/receivables and fair value of financial assets	256,990,978,286	27,758,023,951	5,022,435,387
Other financial income	56,915,609,874	22,663,227,680	97,444,088
Total financial income	<u>857,762,218,643</u>	<u>251,266,184,920</u>	<u>336,908,524,387</u>

8.5 Depreciation, amortisation and foreign exchange differences included in the consolidated income statement

	2010	2009	2008
	VND	Restated VND	Restated VND
Included in administrative expenses:	24,042,329,468	12,068,028,617	7,068,968,978
Depreciation	13,101,418,698	6,661,238,001	6,309,450,862
Amortisation of intangible assets	10,940,910,770	5,406,790,616	759,518,116

8.6 Employee benefits expense

	2010	2009	2008
	VND	Restated VND	Restated VND
Wages and salaries	86,737,625,533	38,253,492,548	19,850,420,803
Social security costs	7,224,313,529	3,867,994,028	4,136,876,655
Total employee benefits expense	<u>93,961,939,062</u>	<u>42,121,486,576</u>	<u>23,987,297,458</u>

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9. CORPORATE INCOME TAX

In accordance with the minutes of tax assessment issued by the Hanoi Department of Taxation on 25 December 2008, the Company is entitled to Corporate Income Tax ("CIT") incentive in pursuant to Article 1.2, Part III, Section E of Circular 128/2003-TT-BTC issued by the Ministry of Finance on 22 December 2003. Accordingly, the Company is entitled to an exemption from CIT for 2 years commencing from the first year the Company makes a taxable profit, and a 50% reduction for the following 3 years. The first profit making year was 2005 and the prevailing full CIT rate is 25%.

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.

The major components of corporate income tax expense for the years ended 31 December 2010, 2009 and 2008 are:

	2010	2009	2008
	VND	Restated VND	Restated VND
Continuing operation			
Current corporate income tax charge	693,858,571,043	282,021,864,048	30,688,265,740
Deferred corporate income tax Relating to origination and reversal of temporary differences	953,768,283,242	1,280,591,257,937	63,167,187,314
	<u>1,647,626,854,285</u>	<u>1,562,613,121,985</u>	<u>93,855,453,054</u>
Discontinued operation (Note 25)			
Current corporate income tax charge	6,846,187,490	7,747,013,055	85,269,512
Deferred corporate income tax Relating to origination and reversal of temporary differences	(1,067,077,371)	(282,411,257)	(640,054,875)
	<u>5,779,110,119</u>	<u>7,464,601,798</u>	<u>(554,785,363)</u>

9.1 Current corporate income tax

The current tax payable is based on taxable profit for the period. 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 Company's liability for current tax is calculated using tax rates that have been enacted by the financial reporting date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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9. CORPORATE INCOME TAX (continued)

9.1 Current corporate income tax (continued)

A reconciliation of the Group's accounting profit with its taxable profit for the years ended 31 December 2010, 2009 and 2008 is as follows:

	2010 VND	2009 <i>Restated</i> VND	2008 <i>Restated</i> VND
Profit before tax from continuing operation	7,123,016,148,284	6,429,518,602,914	386,077,900,855
Profit/(loss) before tax from discontinued operation (Note 25)	<u>20,677,032,879</u>	<u>21,885,720,493</u>	<u>(3,046,227,121)</u>
Profit before tax	7,143,693,181,163	6,451,404,323,407	383,031,673,734
<i>Adjustments to increase/(decrease) accounting profit</i>			
Donations	18,736,888,078	11,863,221,345	11,524,280,000
Unrealised foreign exchange losses	1,677,689,602	-	1,489,440,540
Dividends income	(386,524,959,917)	(1,199,299,068)	(2,030,567,219)
Share of profit of associates	(96,406,658,551)	(15,219,355,751)	(1,802,295,649)
Accrual expenses of construction in progress	58,347,660,161	-	-
Gain from sale of Hai Phong Land	-	-	31,184,447,484
Non-assessable (profit)/loss of subsidiaries	-	104,522,610,096	-
Taxable gain from partial disposal of a subsidiary without loss of control	-	131,748,868,545	-
Gain on Sinh Thai merger	(112,656,357,684)	-	-
Accrual for cost of apartments sold	-	29,215,252,502	-
Interest expenses on loans incurred on uncontributed chartered capital	60,116,051,125	38,108,395,442	-
Change in fair value of investment and amortized costs of loans and receivables	474,259,890,561	(16,541,997,378)	(13,553,817,466)
Gain from held for trading investment	(91,061,931,720)	-	-
Valuation gains from investment properties	(4,215,968,714,893)	(5,265,012,218,330)	(240,250,000,000)
Amortization of land rental right	9,217,901,051	4,015,469,225	-
Other taxable expenses	108,926,006,539	-	-
Other adjustments	<u>65,246,280,661</u>	<u>91,529,452,755</u>	<u>32,919,730,465</u>
Adjusted net profit before loss carry forward and tax	3,037,602,926,176	1,564,434,722,790	202,512,891,889
Tax loss carried forward	-	(3,494,265,707)	(2,770,586)
Estimated current taxable profit	3,037,602,926,176	1,560,940,457,083	202,510,121,303
Estimated current corporate income tax	715,384,462,022	390,235,114,263	50,627,530,326
Adjustment for different applicable tax rates	-	(100,466,237,160)	(19,853,995,074)
Adjusted current corporate income tax	715,384,462,022	289,768,877,103	30,773,535,252
<i>In which:</i>			
<i>Continuing operation</i>	708,538,274,536	282,021,864,056	30,688,265,740
<i>Discontinued operation (Note 25)</i>	6,846,187,490	7,747,013,055	85,269,512
CIT payables at the beginning of the year	248,794,223,525	8,509,880,987	57,127,916,671
Other adjustments	39,652,797,088	411,250,743	-
Adjustment for under/(over) accrual of tax from previous periods	(14,679,703,489)	-	-
Provisional CIT for downpayments	18,549,500,165	-	-
CIT paid during the year	<u>(312,592,412,186)</u>	<u>(49,895,785,316)</u>	<u>(79,391,570,936)</u>
CIT payable at the end of the year	695,108,867,125	248,794,223,525	8,509,880,987
<i>In which:</i>			
<i>Continuing operation</i>	691,783,423,055	248,794,223,525	8,509,880,987
<i>Discontinued operation</i>	3,325,444,070	-	-

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9. CORPORATE INCOME TAX (continued)

9.2 Deferred corporate income tax

	Consolidated statement of financial position			Credit/(charge) to consolidated income statement		
	2010 VND	2009 Restated VND	As at 1 January 2008 Restated VND	2010 VND	2009 Restated VND	2008 Restated VND
Deductible temporary differences from measuring financial instruments at fair value	147,187,450,166	26,510,550,392	2,337,342,036	120,676,899,774	24,489,572,615	(316,364,259)
Expenses allowable for capitalisation for tax purpose	30,083,601,948	922,466,132	-	29,161,135,816	282,411,257	640,054,875
Re-measurement to fair value less costs to sell of discontinued operation	1,067,077,371	-	-	1,067,077,371	-	-
Accrued expenses for apartments sold	14,586,915,040	7,303,813,125	-	7,283,101,915	7,303,813,125	-
Temporary difference relating to costs of apartments sold at Vincom Park Place	(17,618,148,945)	-	-	(17,618,148,945)	-	-
Unrealised foreign exchange losses	-	186,180,068	-	(16,126,631,603)	15,940,451,535	186,180,068
Carried forward tax losses	-	436,844,851	1,473,572,454	-	(436,844,851)	(1,036,727,603)
Deferred tax liability arising from acquisition of assets	-	(136,640,382,500)	-	-	-	-
Deferred tax liabilities arising from fair value measurement of IP and IPUC	(2,760,138,895,944)	(1,701,577,546,002)	(317,738,037,708)	(1,058,561,349,942)	(1,320,388,553,927)	(63,450,954,367)
Unrealised foreign exchange gains	-	(6,525,299,352)	-	6,525,299,352	(6,525,299,352)	-
Taxable temporary differences from measuring financial instruments at fair value	(29,645,249,252)	(4,536,659,643)	(5,012,941,407)	(25,108,589,609)	(974,397,082)	1,450,678,847
Net deferred tax assets/(liabilities)	(2,614,477,249,616)	(1,798,416,426,245)	(318,940,064,625)	(952,701,205,871)	(1,280,308,846,680)	(62,527,132,439)
Deferred tax (expense)/income <i>Reflected in the consolidated financial statements as follows:</i>						
Continuing operation						
Deferred tax assets	191,857,967,156	50,863,461,252	3,810,914,490			
Deferred tax liabilities	(2,807,402,294,143)	(1,849,279,887,497)	(322,750,979,115)			
Deferred tax liabilities, net	(2,615,544,326,987)	(1,798,416,426,245)	(318,940,064,625)			
Discontinued operation						
Deferred tax assets	1,067,077,371	-	-	1,067,077,371	282,411,257	640,054,875
Deferred tax assets, net	1,067,077,371	-	-			

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9. CORPORATE INCOME TAX (continued)

9.2. Deferred corporate income tax (continued)

Reconciliation of deferred tax liabilities net

	2010 VND	2009 <i>Restated</i> VND	2008 <i>Restated</i> VND	2008 <i>Restated</i> VND
Opening balance as of 1 January	(1,798,416,426,245)	(381,467,197,065)	(318,940,064,626)	1,825,288,304
Tax Income/(expense) during the period recognised in profit or loss	(953,768,283,242)	(1,280,308,846,680)	(62,527,132,439)	(320,765,352,929)
Deferred taxes acquired in business combinations	136,640,382,500	(136,640,382,500)	-	-
Closing balance as of 31 December	<u>(2,615,544,326,987)</u>	<u>(1,798,416,426,245)</u>	<u>(381,467,197,065)</u>	<u>(318,895,605,664)</u>

10. EARNINGS PER SHARE

Basic earnings per share amount is calculated by dividing the net profit after tax for the year attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible bonds) 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.

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

	2010 VND	2009 <i>Restated</i> VND	2008 <i>Restated</i> VND
Net profit attributable to ordinary equity holders of the parent from continuing operations	5,008,203,717,984	4,611,047,150,332	292,753,356,312
Profit/(loss) attributable to ordinary equity holders of the parent from a discontinued operation	12,223,555,975	2,869,189,886	(1,436,529,274)
Net profit attributable to ordinary equity holders of the parent for basic earnings	5,020,427,273,959	4,613,916,340,218	291,316,827,038
Change in fair value of convertible bonds	326,007,421,412	-	-
Interest on convertible bonds	5,951,078,748	-	-
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	<u>5,352,385,774,119</u>	<u>4,613,916,340,218</u>	<u>291,316,827,038</u>

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as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

10. EARNINGS PER SHARE (continued)

	2010	2009	2008
	VND	Restated VND	Restated VND
Net profit from continuing operations attributable to ordinary equity holders of the parent for basic earnings	<u>5,008,203,717,984</u>	<u>4,611,047,150,332</u>	<u>292,753,356,312</u>
Net profit from continuing operations attributable to ordinary equity holders of the parent adjusted for the effect of dilution	<u>5,340,162,218,144</u>	<u>4,611,047,150,332</u>	<u>292,753,356,312</u>

Weighted average number of ordinary shares:

	2010	2009	2008
Weighted average number of ordinary shares for basic earnings per share (*)	217,461,622	168,656,414	114,335,634
Effect of bonus and right issues (**)	<u>119,974,724</u>	<u>152,072,133</u>	<u>207,598,529</u>
Restated weighted average number of ordinary shares for basic earnings per share	337,436,346	320,728,547	321,934,163
<i>Effect of dilution</i>			
Convertible bonds	<u>27,359,885</u>	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>364,796,231</u>	<u>320,728,547</u>	<u>321,934,163</u>

(*) *The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.*

(**) *Effect of bonus issue in 2010 and 2009, which requires retrospective application on the basic earnings per share for previous years under the requirement of IAS 33.*

The USD convertible bonds issued by the Company in December 2009 were included in the calculation of diluted earnings per share for the year 2010 and were not included in that for the year 2009 and 2008 because they are anti-dilutive for such periods.

To calculate earnings per share amounts for the discontinued operation (See Note 25), the weighted average number of ordinary shares for both basic and diluted amounts is as per the table above. The following table provides the profit/(loss) amount used:

	2010	2009	2008
	VND	Restated VND	Restated VND
Net profit attributable to ordinary equity holders of the parent from a discontinued operation for basic and diluted earnings per share calculations	12,223,555,975	2,869,189,886	(1,436,529,274)

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11. PROPERTY AND EQUIPMENT

Cost:	Buildings & structures VND	Machinery & equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
At 1 January 2008	-	5,184,955,283	7,080,485,596	7,160,742,451	-	19,426,183,330
Additions	5,494,000,000	7,495,099,215	3,561,176,543	5,779,495,174	1,796,814,387	24,126,585,319
Disposal	-	(4,888,555,228)	(562,250,000)	(748,626,938)	-	(6,199,432,166)
At 31 December 2008	5,494,000,000	7,791,499,270	10,079,412,139	12,191,610,687	1,796,814,387	37,353,336,483
Additions	2,636,363,636	2,287,317,664	1,989,821,523	15,264,589,378	-	22,178,092,201
Disposals	-	(611,540,526)	(529,169,500)	(2,284,963,280)	(279,063,326)	(3,704,736,632)
At 31 December 2009	8,130,363,636	9,467,276,408	11,540,064,162	25,171,236,785	1,517,751,061	55,826,692,052
Additions	91,435,303,393	45,638,216,364	4,740,508,670	9,426,325,123	60,894,600	151,301,248,150
Disposals	(5,494,000,000)	(145,545,356)	(23,718,182)	(407,887,404)	-	(6,071,150,942)
Other decrease	-	(7,259,541,600)	-	(5,740,496,316)	(1,517,751,060)	(14,517,788,976)
At 31 December 2010	94,071,667,029	47,700,405,816	16,256,854,650	28,449,178,188	60,894,601	186,539,000,284
Depreciation:						
At 1 January 2008	-	2,795,342,368	2,229,887,691	2,013,417,767	-	7,038,647,826
Charge for the year	219,760,000	2,067,921,134	1,128,879,891	2,574,737,197	318,152,640	6,309,450,862
Disposals	-	(3,036,000,403)	(109,069,266)	(151,122,906)	-	(3,296,192,574)
At 31 December 2008	219,760,000	1,827,263,099	3,249,698,317	4,437,032,058	318,152,640	10,051,906,114
Charge for the year	596,383,373	2,085,835,180	1,420,344,615	3,300,045,417	374,086,372	7,776,694,957
Disposals	(30,929,977)	(224,567,034)	(66,155,005)	(713,802,911)	(80,002,028)	(1,115,456,955)
At 31 December 2009	785,213,396	3,688,531,245	4,603,887,927	7,023,274,564	612,236,984	16,713,144,116
Charge for the year	502,164,504	5,922,298,407	1,845,749,841	4,446,544,077	384,661,869	13,101,418,698
Disposals	(439,519,996)	(586,545,890)	(4,010,591)	(240,351,995)	-	(1,270,428,472)
Other decrease	-	(4,650,525,217)	-	(3,278,840,113)	(955,330,077)	(8,884,695,407)
At 31 December 2010	847,857,904	4,373,758,545	6,445,627,177	7,950,626,533	41,568,776	19,659,438,935
Net book value:						
At 31 December 2010	93,223,809,125	43,326,647,271	9,811,227,473	20,498,551,655	19,325,825	166,879,561,349
At 31 December 2009	7,345,150,240	5,778,745,163	6,936,176,235	18,147,962,221	905,514,077	39,113,547,936
At 31 December 2008	5,274,240,000	5,964,236,171	6,829,713,822	7,754,578,629	1,478,661,747	27,301,430,369
At 1 January 2008	-	2,389,612,915	4,850,597,905	5,147,324,684	-	12,387,535,504

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12. INTANGIBLE ASSETS

	Land use rights VND	Land rental right VND	Land development right VND	Computer software VND	Goodwill VND	Total VND
Cost:						
At 1 January 2008	92,216,914,000	-	-	326,099,071	1,765,448,975	94,308,462,046
Additions	-	-	-	7,464,314,990	-	7,464,314,990
Disposal	-	-	-	-	(1,765,448,975)	(1,765,448,975)
At 31 December 2008	92,216,914,000	184,938,875,055	250,341,308,795	7,790,414,061	-	100,007,328,061
Additions	-	-	-	625,644,872	-	435,905,828,722
Disposal	-	-	-	-	-	-
At 31 December 2009	92,216,914,000	184,938,875,055	250,341,308,795	8,416,058,933	-	535,913,156,783
Additions	-	-	-	3,409,795,620	-	3,409,795,620
Reclassification	(38,808,260,000)	-	(250,341,308,795)	-	-	(289,149,568,795)
Disposals	(53,408,654,000)	-	-	(5,920,584,978)	-	(59,329,238,978)
Other reduction	-	-	-	(20,646,036)	-	(20,646,036)
At 31 December 2010	-	184,938,875,055	-	5,884,623,539	-	190,823,498,594
Amortisation:						
At 1 January 2008	-	-	-	108,702,628	-	108,702,628
Amortisation	-	-	-	759,518,116	-	759,518,116
Disposals	-	-	-	-	-	-
At 31 December 2008	-	4,015,469,225	-	868,220,744	-	868,220,744
Amortisation	-	-	-	1,391,321,391	-	5,406,790,616
Disposals	-	-	-	-	-	-
At 31 December 2009	-	4,015,469,225	-	2,259,542,135	-	6,275,011,360
Amortisation	-	9,217,901,051	-	1,723,009,719	-	10,940,910,770
Disposals	-	(1,652,275,495)	-	-	-	(1,652,275,495)
Other reduction	-	-	-	(14,452,200)	-	(14,452,200)
At 31 December 2010	-	11,581,094,781	-	3,968,099,654	-	15,549,194,435
Net book value:						
At 31 December 2010	-	173,357,780,274	-	1,916,523,885	-	175,274,304,159
At 31 December 2009	92,216,914,000	180,923,405,830	250,341,308,795	6,156,516,798	-	529,638,145,423
At 31 December 2008	92,216,914,000	-	-	6,922,193,317	-	99,139,107,317
At 1 January 2008	92,216,914,000	-	-	217,396,443	1,765,448,975	94,199,759,418

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12. INTANGIBLE ASSETS (continued)

Land rental rights increase during the year 2009 arises from the acquisition of Hai Phong Land JSC. This represents the right to lease a land area of 9,125 square meters for a period of 30 years (from 1999 to 2029) in Hai Phong City.

Land development right increase in 2009 arises from the acquisition of Hanoi Southern City Development JSC. At the end of 2009, the Hanoi People's Committee approved, in-principle, to allow Hanoi South to develop a real estate project on a land site at No. 460, Minh Khai street, Hai Ba Trung District and at No. 25, Lane 13, Linh Nam street, Hoang Mai District as per Official Letter 7005/UBND-XD. During the year 2010, the Group has completed necessary required legal procedures to start the development of this project (the Eco City project). Therefore, the land development right was reclassified to various components in this project, including construction in progress, investment properties under construction and inventory property.

13. COMPLETED INVESTMENT PROPERTY

	2010	2009	2008
	VND	Restated VND	Restated VND
Balance at 1 January	530,434,148,041	245,262,979,141	258,673,827,910
Change in accounting policies	2,144,925,851,959	1,530,987,020,859	1,277,326,172,090
Balance at 1 January (restated)	2,675,360,000,000	1,776,250,000,000	1,536,000,000,000
Capital expenditure	1,040,391,876,884	410,107,667,262	177,835,847
Transferred from property under construction	6,983,684,165,242	-	-
Transferred to inventories	(284,052,200,151)	-	-
Adjustment to fair value	3,246,884,500,068	489,002,332,738	240,072,164,153
Balance at 31 December	13,662,268,342,043	2,675,360,000,000	1,776,250,000,000
Market value as estimated by external valuer	13,662,268,342,043	2,675,360,000,000	1,776,250,000,000

The fair value of completed investment property has been determined on a market value basis in accordance with the "The RICS Appraisal and Valuation Standards" published by the Royal Institution of Chartered Surveyors ("RICS") and the "International Valuation Standards" published by the International Valuation Standards Committee ("IVSC"). As set out in Note 3, in arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The valuations were performed by Jones Lang LaSalle, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

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13. COMPLETED INVESTMENT PROPERTY (continued)

The significant assumptions made relating to valuations are set out below:

	Office			Retail and mixed use		
	2010	2009	2008	2010	2009	2008
Monthly rent per sqm (in VND)	(*) 1,445,269	539,479	571,860	884,366	849,128	858,600
Rental growth rate	6%	7%	7%	7%	5%	5%
Discount rate	14%	15%	15%	14%	14%	14%

(*) the significant increase in rent in 2010 is due to the opening of a major property in Ho Chi Minh City in 2010.

Sensitivity analysis

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of completed investment property.

	Office			Retail and mixed use		
	2010 VND mill	2009 VND mill	2008 VND mill	2010 VND mill	2009 VND mill	2008 VND mill
Change in fair value due to increase of 1% in discount rate	(312,000)	(31,397)	(28,800)	(481,650)	(110,814)	(66,600)
Change in fair value due to decrease of 5% in rental rate	(341,250)	(42,479)	(36,000)	(390,000)	(92,345)	(63,000)

14. INVESTMENT PROPERTY UNDER CONSTRUCTION

	2010 VND	2009 Restated VND	2008 VND
Balance at 1 January	-	-	-
Change in accounting policies	7,496,456,217,883	-	-
Balance at 1 January (restated)	7,496,456,217,883	-	-
Capital expenditure	1,591,613,050,444	2,720,446,332,292	-
Allocation of land development right	65,752,145,035	-	-
Transferred to tangible assets	(12,448,837,703)	-	-
Transferred to completed property	(6,983,684,165,242)	-	-
Adjustment to fair value	969,084,214,825	4,776,009,885,591	-
Balance at 31 December	3,126,772,625,242	7,496,456,217,883	-
<i>In which</i>			
<i>Investment properties under construction carried at fair value</i>	1,476,250,275,595	6,996,133,002,945	-
<i>Investment properties under construction carried at cost</i>	1,650,522,349,647	500,323,214,938	-

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14. INVESTMENT PROPERTY UNDER CONSTRUCTION (continued)

Unless stated at cost, the fair value of investment property under construction has been determined on a market value basis in accordance with the "The RICS Appraisal and Valuation Standards" published by the Royal Institution of Chartered Surveyors ("RICS") and the "International Valuation Standards" published by the International Valuation Standards Committee ("IVSC"). As set out in Note 3, in arriving at their estimates of market values in 2009 and 2010, the valuers used their market knowledge and professional judgement and did not only rely on historical transactional comparables.

The valuations were performed by Jones Lang LaSalle, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

Investment properties carried at costs related to the Eden A project and certain components (car parks) of the Royal City and Eco City project. The fair value of those investment properties can not be reliably measured since the Company has either not completed the legal procedures to start construction work, or can not reliably estimate the cash flows relating to these properties.

The significant assumptions made relating to valuations are set out below:

	<i>Office</i>		<i>Retail and mixed use</i>	
	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
Monthly rent per sqm	864,000	496,910	1,440,000	n/a
Rental growth rate	9%	7%	15%	n/a
Discount rate	14%	17%	13.5%	n/a

Sensitivity analysis

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of investment property under construction.

	<i>Office</i>		<i>Retail and mixed use</i>	
	<i>2009</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>
Change in fair value due to increase of 1% in discount rate	(234,000,000,000)	(146,250,000,000)	(234,000,000,000)	n/a
Change in fair value due to decrease of 5% in rental rate	(198,000,000,000)	(325,650,000,000)	(198,000,000,000)	n/a

15. CONSTRUCTION IN PROGRESS

	<i>2010</i>	<i>2009</i>	<i>2008</i>
	<i>VND</i>	<i>Restated</i> <i>VND</i>	<i>VND</i>
Eden Project	406,272,716,944	119,871,550,301	1,774,417,508,950
Eco City project	83,366,274,772	37,850,447,435	-
Royal City project	128,085,410,522	28,043,403,947	392,525,782
Sai Dong new urban city project	1,407,650,122,496	72,068,100,000	-
Vincom Hai Phong project	10,159,485,630	8,329,917,901	-
Xavinco project	103,104,833,409	-	-
Ho Tay project	42,043,914,545	-	-
Vietronics project	30,250,000,000	-	-
Vincom Park Place project	-	-	169,730,153,809
Urban city Yen Phu - Ha Tay	1,420,144,690	1,420,144,690	1,155,966,508
Others	1,115,707,362	1,406,559,433	1,072,807,362
	2,213,468,610,370	268,990,123,707	1,946,768,962,411

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15. CONSTRUCTION IN PROGRESS (continued)

Construction in progress comprises of capital expenditures, such as construction costs, land compensation and site clearance costs, capitalised borrowing costs, planning and design fee, construction overheads and other related costs incurred in connection with the development of the Eden A, Eco City, Royal City, Sai Dong New Urban City, and other real estate projects.

16. CAPITALISED BORROWING COSTS

The total borrowing costs capitalized in construction in progress, investment properties and investment properties under construction, inventory property by the Group during the year ended 31 December 2010 was VND755,206,750,006 (2009: VND321,961,160,654; 2008: VND100,426,757,188). The rate used to determine the amount of borrowing costs eligible for capitalisation in 2010 was 13.42% (2009: 11.95%, 2008: 13.59%), which is the weighted average of the borrowings of the Group that are outstanding during the construction period.

17. OTHER NON-CURRENT FINANCIAL ASSETS

	2010 VND	2009 VND	2008 VND
Long-term loans to others	450,592,409,642	-	-
Investment in VFG Investment JSC	-	-	50,000,000,000
Investment in Thanh Nien Communication Joint Stock Company	12,400,000,000	12,400,000,000	12,400,000,000
Acquisition of share subscription rights in Vinpearl Hoi An	-	-	102,000,000,000
Advance to Hanoi Mechanical Limited Company	-	-	72,916,668,000
Investment in Nguyen Van Huyen project	54,000,000,000	54,000,000,000	54,000,000,000
Investment in Nguyen Trai project	-	17,500,000,000	17,500,000,000
Investment in other unquoted shares	28,733,452,789	112,730,000,000	23,560,000,000
Advances for Hoang Cau project	5,320,856,363	5,320,856,363	1,000,000,000
Other long-term investment	-	-	150,000,000
Government bonds	-	1,000,000	1,000,000
	551,046,718,794	201,951,856,363	333,527,668,000

Long-term loans to others include lending to Hanoi Electronics Corporation (see Note 37), Thai Kieu Company Limited, Mai Son JSC and Global Link Company Limited. These loans generate interest at rates ranging from 12.5% per annum to 15% per annum which can be revised based on the lending interest rate offered by the Bank for Investment and Development of Vietnam.

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17. OTHER NON-CURRENT FINANCIAL ASSETS (continued)

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/HGCC 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 VND 13,688,036,077. 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.

The loan to Hanoi Electronics Corporation is not secured.

Investments in unquoted shares as at 31 December 2010 include:

	<u>Carrying value</u>	<u>% equity</u>
	VND	interest
Dong Da Electronics JSC	25,098,452,789	14.7%
8/3 Investment JSC	3,000,000,000	10%
Tay Tang Long Real Estate JSC	635,000,000	10%

Other long-term investments also include investments in other potential real estate projects in Hoang Cau and Nguyen Van Huyen Street, Hanoi. 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 PREPAYMENTS

	2010	2009	2008	As at 1
	VND	Restated	Restated	January 2008
	VND	VND	VND	Restated
	VND	VND	VND	VND
Corporate income tax prepayment	18,549,500,165	-	-	-
Commission fees on operating leases	13,302,773,232	4,409,325,397	-	-
Other long-term prepaid expenses	11,113,517,307	3,558,045,952	3,993,595,006	2,746,351,615
	<u>42,965,790,704</u>	<u>7,967,371,349</u>	<u>3,993,595,006</u>	<u>2,746,351,615</u>

Corporate income tax prepayment represents advance payment of corporate income tax at the rate of 2% of the downpayment amount from the customers who purchase residential properties from the Group in accordance with the Circular No. 130/2008/TT-BTC issued by Ministry of Finance on 26 December 2008. Such corporate income tax is prepaid and will be finalised with the tax authority upon the completion of the project development.

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19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2010 VND	2009 VND	2008 VND
Held-for-trading investments	402,388,797,600	266,796,453,249	23,373,140,839
<i>Listed shares</i>	402,388,797,600	266,796,453,249	21,692,829,089
<i>Unlisted shares</i>	-	-	1,680,311,750
Financial assets at fair value through profit or loss	-	387,840,000,000	-
<i>Listed shares</i>	-	387,840,000,000	-
	<u>402,388,797,600</u>	<u>654,636,453,249</u>	<u>23,373,140,839</u>

Financial assets designated at fair value through profit or loss represent investment in listed shares held by a subsidiary as at 31 December 2009. The Group has designated these listed shares as financial assets at fair value through profit or loss since it is managed and its performance is evaluated on a fair value basis. The subsidiary was disposed of in 2010.

20. INVENTORIES

The Group develops residential properties and office building which it sells in the ordinary course of business and has entered into contracts to sell certain of these properties on completion of construction. The Group has considered the application of IFRIC 15 and concluded that these contracts are not in substance construction contracts and do not lead to a continuous transfer of work in progress. Revenue from these contracts is recognised under the accounting policy sets out in Note 2.3 (e). Construction and other expenditure attributable to such property is included in inventory until disposal.

A summary of movement in inventory is set out below:

	2010 VND	2009 <i>Restated</i> VND	2008 <i>Restated</i> VND
Opening balance	900,649,688,200	209,932,607,586	135,595,299
Construction costs incurred	1,616,878,917,197	1,085,071,686,879	209,797,012,287
Interest capitalised	46,962,097,142	52,106,809,358	-
Purchase of apartment units for re-sale	161,070,045,706	-	-
Transfer from intangible assets	38,808,260,000	-	-
Transfer from investment properties	284,052,200,151	-	-
Other increase	333,710,809	2,900,050,324	-
Disposals (recognised in cost of sale)	<u>(784,585,160,041)</u>	<u>(449,361,465,947)</u>	-
Closing balance	<u>2,264,169,759,164</u>	<u>900,649,688,200</u>	<u>209,932,607,586</u>

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 Ho Chi Minh 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 (located in Vinh Nguyen and Vinh Truong wards, Nha Trang city, Khanh Hoa province) 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.

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21. TRADE RECEIVABLES

	2010 VND	2009 VND	2008 VND
Trade receivables	2,486,068,069,691	342,443,869,667	6,775,778,447
	<u>2,486,068,069,691</u>	<u>342,443,869,667</u>	<u>6,775,778,447</u>

Trade receivables from leasing of office and retail area are non-interest bearing and are generally on 7 - 30 day terms. Trade receivables from the sale of apartments at Vincom Center are non-interest bearing and are generally on 90 – 180 day terms.

As at 31 December 2010, there were no trade receivable items being impaired (2009 and 2008: Nil). An aging analysis of trade receivables as at 31 December is as follows:

	Total	Neither past due nor impaired	Past due but not impaired				
			< 30 days	30-60 days	61-90 days	91-120 days	>120 days
2010	2,486,068,069,691	2,433,538,868,168	5,892,008,324	11,812,985,616	8,580,648,316	7,944,240,684	18,299,318,583
2009	342,443,869,667	341,064,562,564	1,128,337,499	-	-	-	250,969,604
2008	6,775,778,447	6,775,778,447	-	-	-	-	-

The Group's credit risk management policy is disclosed in Note 36.

22. SHORT-TERM PREPAYMENT AND OTHER RECEIVABLES

	2010 VND	2009 VND	2008 VND
Valued added tax deductibles	42,662,755,834	28,062,979,422	8,913,015,589
Tax and other receivables from the State	-	103,249,162	32,827,451,241
Advances to employees	-	151,223,398,869	153,227,275,638
Receivables from disposal of shares in subsidiaries, associates and other investments	83,000,000,000	-	185,618,911,073
Receivables from capital contributions paid on behalf of other parties	-	-	31,642,678,709
Receivables from disposal of the game center	-	-	2,323,783,100
Receivables for payments on behalf of others	-	-	27,043,449,932
Short-term prepayment expenses	19,242,450,164	1,872,542,207	-
Interest receivable from term deposit and loans to others	278,312,742,765	44,205,677,475	-
Others	3,932,117,771	1,758,646,359	12,526,577,478
	<u>427,150,066,534</u>	<u>227,226,493,494</u>	<u>454,123,142,760</u>

Interest receivables are mainly derived from term deposits and from loans provided to other entities and other individuals.

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23. SHORT-TERM INVESTMENTS

	2010 VND	2009 VND	2008 VND
Loans to others	1,233,212,956,859	1,239,782,272,136	-
Short-term deposits	1,600,000,000,000	1,050,000,000,000	-
	<u>2,833,212,956,859</u>	<u>2,289,782,272,136</u>	<u>-</u>

Loans to others comprise loans provided to Sun City Joint Stock Company, Cu Lao Cham Tourism & Trading JSC, Phong Phu Corporation and other individuals.

Loans to Sun City Joint Stock Company generate interest at rates ranging from 12.6% to 16% per annum and are secured by financial investments held by the borrower. Loans to Cu Lao Cham Tourism & Trading JSC generate interest at 12.6% per annum and are partially secured by investment held by the borrower. The loan to Phong Phu Corporation generates interest at 12.5% per annum and is unsecured.

Loans to other individuals generate interest at rates ranging from 7% to 14.5% per annum and are secured by securities investments held by the borrowers.

Short-term deposits represent term deposits placed at Petro Vietnam Finance Corporation (VND 300 billion and VND 300 billion at interest rates of 11.50% and 10.90% per annum, respectively) and at EVN Finance Joint Stock Company (VND 300 billion, VND 500 billion and VND 200 billion at interest rates of 11.5% and 10.49% per annum, respectively).

24. CASH AND CASH EQUIVALENTS

	2010 VND	2009 VND	2008 VND
Cash on hand	7,545,884,866	830,246,840	496,268,403
Cash in banks	781,675,984,139	461,683,638,500	26,351,704,474
Cash equivalents	693,325,000,000	990,526,640,000	-
	<u>1,482,546,869,005</u>	<u>1,453,040,525,340</u>	<u>26,847,972,877</u>

Cash equivalents include term deposit with term of 15 days to 1 month and bearing an interest rate from of 14% to 14.7% per annum for Vietnam dong (2009: 1.5% to 3.4% per annum for United States dollar and 6.8% to 9% per annum for Vietnam dong).

As disclosed in Note 27, included in cash balance at 31 December 2010 is VND32,509,700,339 held in the Group's bank account in trust for the apartment tenants. Such amount shall be remitted to the Property management board once this is established by the tenants.

25. DISCONTINUED OPERATIONS

On 26 October 2010, the Group publicly announced the Board of Directors' plan to dispose the investment in Vincom Securities Joint Stock Company ("VSC"), a subsidiary operating in the securities brokerage business, in which Vincom holds 75% voting right. VSC's performance has not been up to shareholders' expectation and the Group wants to dispose of this non-core business to focus on its core real estate operations. As at 31 December 2010, VSC was classified as a disposal group held for sale and as a discontinued operation.

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25. DISCONTINUED OPERATIONS (continued)

The results of VSC for the years are presented below:

	2010 VND	2009 VND	2008 VND
Revenue	28,557,456,945	31,994,266,494	12,193,481,234
Cost of sales	<u>(32,664,850,741)</u>	<u>(20,964,071,913)</u>	<u>(14,761,222,490)</u>
Gross profit	(4,107,393,796)	11,030,194,581	(2,567,741,256)
Other operating income	8,802,239,843	1,527,010,149	528,148,768
Administrative expenses	(27,659,320,846)	(15,733,191,455)	(39,141,397,843)
Other operating expenses	<u>(147,161,556)</u>	<u>(2,177,074,278)</u>	<u>(515,581,563)</u>
Operating profit	(23,111,636,355)	(5,353,061,003)	(41,696,571,894)
Finance costs	(105,133,643)	(41,150,000)	(2,655,233,440)
Finance income	48,162,112,360	27,279,931,496	41,305,578,213
Impairment loss recognised on the remeasurement to fair value less costs to sell	<u>(4,268,309,483)</u>	-	-
Profit (loss) before tax from discontinued operations	20,677,032,879	21,885,720,493	(3,046,227,121)
Income tax expense	(6,846,187,490)	(7,747,013,055)	(85,269,512)
Deferred tax on the re-measurement to fair value less costs to sell	<u>1,067,077,371</u>	<u>282,411,257</u>	<u>640,054,875</u>
Profit (loss) for the year from discontinued operations	<u>14,897,922,760</u>	<u>14,421,118,695</u>	<u>(2,491,441,758)</u>

The major classes of assets and liabilities of VSC classified as held for sale as at 31 December are as follows:

	31 December 2010 VND
Assets	
Property and equipment	5,068,549,444
Deferred tax assets	1,067,077,371
Long-term prepayment	1,646,293,357
Trade receivables	106,605,396,206
Held-for-trading investments	1,185,495,323
Loans to and receivables from related parties	11,102,634,717
Short-term prepayment and other receivables	1,659,846,841
Short-term investments	183,904,809,873
Cash and cash equivalents	<u>32,462,107,487</u>
Assets classified as held for sale	344,702,210,619
Liabilities	
Payables to related parties	
Trade payables	(110,738,588)
Customers' deposits	(227,178,000)
Accruals	(226,543,759)
Current tax liabilities	(3,954,660,495)
Payables to related parties	(10,551,384)
Other current liabilities	<u>(1,105,250,065)</u>
Liabilities directly associated with assets classified as held for sale	<u>(5,634,922,291)</u>
Net assets directly associated with disposal group	<u>339,067,288,328</u>

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25. DISCONTINUED OPERATIONS (continued)

The net cash flows incurred by VSC are as follows:

	2010 VND	2009 VND	2008 VND
Operating	1,662,438,287	(7,630,185,334)	(98,078,423,863)
Investing	21,678,418,078	(4,863,756,695)	(188,212,026,353)
Financing	-	-	300,000,000,000
Net cash (outflow)/inflow	<u>23,340,856,365</u>	<u>(12,493,942,029)</u>	<u>13,709,549,784</u>

Earnings per share:

Basic, profit/(loss) for the year, from discontinued operation	36	9	(4)
Diluted, profit/(loss) for the year, from discontinued operation	36	9	(4)

26. ACCRUALS

	2010 VND	2009 VND	2008 VND
Accrued loan and bond interests	370,150,759,148	243,075,840,404	269,168,122,450
Accrual for cost of inventory properties sold	135,053,651,234	29,215,252,502	-
Other accrued expenses	29,101,207,783	40,689,790,297	6,101,139,343
	<u>534,305,618,165</u>	<u>312,980,883,203</u>	<u>275,269,261,793</u>

27. OTHER CURRENT LIABILITIES

	2010 VND	2009 VND	2008 VND
Value added tax payable	309,987,174,932	94,532,106,443	-
Interest payables	-	34,214,013,300	-
Other short-term payables	4,805,860,567	5,853,262,944	2,085,732,704
Other taxes	925,372,953	3,108,681,857	221,323,309
Payables to employees	12,168,298,356	1,918,363,142	3,507,420,908
Social insurance payable	654,499,689	550,188,891	146,560,000
Personal income tax	-	213,693,590	1,459,310,507
Payables for investment activities	90,000,000,000	-	92,300,487,122
Maintenance fund held on behalf of apartment tenants	32,509,700,339	-	-
Payables to CFT JSC	-	-	433,028,602
	<u>451,050,906,836</u>	<u>140,390,310,167</u>	<u>100,153,863,152</u>

Maintenance fund held on behalf of apartment tenants represent the fund contributed by the apartment tenants to be used for maintenance works of the apartment building. Such fund is held by the Group on behalf of the tenants until such time as the Property management board is appointed by the tenants.

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28. LONG-TERM CUSTOMERS' DEPOSITS

	2010 VND	2009 VND	2008 VND
Deposits from tenants	124,651,791,684	55,647,431,415	23,929,381,425
Deposits from tenants to be refunded within the next twelve months (Note 29)	<u>(13,631,019,383)</u>	<u>(14,467,116,198)</u>	<u>(6,515,770,076)</u>
	<u>111,020,772,301</u>	<u>41,180,315,217</u>	<u>17,413,611,349</u>

29. DEPOSITS AND DOWN PAYMENTS FROM CUSTOMERS

	2010 VND	2009 VND	2008 VND
Deposits from tenants to be refunded within the next twelve months (Note 28)	13,631,019,383	14,467,116,198	6,515,770,076
Advances from customers	291,625,515	1,087,683,689	766,170,862
Downpayments from customers	<u>3,102,085,889,499</u>	<u>-</u>	<u>76,576,863,500</u>
	<u>3,116,008,534,397</u>	<u>15,554,799,887</u>	<u>83,858,804,438</u>

30. DEFERRED REVENUE

	2010 VND	2009 VND	2008 VND
Deferred revenue	28,407,969,180	40,823,019,928	53,744,015,654
Deferred revenue to be realised within the next twelve months	<u>(26,857,741,555)</u>	<u>(31,292,400,538)</u>	<u>(23,095,635,443)</u>
	<u>1,550,227,625</u>	<u>9,530,619,390</u>	<u>30,648,380,211</u>

31. SHORT-TERM LOANS

	2010 VND	2009 VND	2008 VND
Loan from Dai A bank	94,200,000,000	100,000,000,000	-
Current portion of loan from BIDV (Note 32.1)	171,754,090,034	-	-
Loan from BIDV	-	142,288,185,273	622,000,000,000
Others	<u>28,366,500,000</u>	<u>-</u>	<u>-</u>
	<u>294,320,590,034</u>	<u>242,288,185,273</u>	<u>622,000,000,000</u>

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31. SHORT-TERM LOANS (continued)

Details of short-term loans are as below:

<i>Lender</i>	<i>Ending balance VND</i>	<i>Maturity</i>	<i>Maturity date</i>	<i>Interest rate (% per annum)</i>	<i>Collateral</i>
Dai A bank	94,200,000,000	15 months	2 July 2011	16.0	400,000 VPL shares owned by Sinh Thai + 2,559,000 VPL shares owned by Vingroup and 1,493,250 VIC shares owned by Vingroup
Anh Duong Construction and Consultancy Limited Company	6,775,892,196	12 months	14 December 2011	13.5	No collateral
Sun City Joint Stock Company	14,590,607,804	12 months	1 August 2011	13.5	No collateral
Oversea Vietnamese Entrepreneur JSC	7,000,000,000	3 months	28 February 2011	13.5	No collateral
	<u>122,566,500,000</u>				

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32. INTEREST-BEARING LOANS AND BORROWINGS

32.1 Interest-bearing loans and borrowings

	2010 VND	2009 VND	2008 VND
Corporate bonds	5,585,855,723,669	4,361,398,927,978	2,955,482,023,715
Long-term borrowings	4,589,432,720,275	2,770,291,841,949	165,800,000,000
Less: current portion of long-term loan (Note 31)	(171,754,090,034)	-	-
	<u>10,003,534,353,910</u>	<u>7,131,690,769,927</u>	<u>3,121,282,023,715</u>

Corporate bonds

As at 31 December 2010, 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. The effective interest rate for this bond is 10.66% per annum.
- ▶ The second bond has a face value of VND 2,000,000,000,000, unsecured, with a maturity date of 6 May 2013, bears initial interest rate of 16% per annum in the first year (from 6 May 2008 to 6 May 2009). The interest rate will be revised on an annual basis, equal to at the average 1-year saving rates of four banks, Agribank, Vietcombank, BIDV and Vietinbank, plus 4% (for the period from 6 May 2009 to 6 May 2010: 11.725% per annum and for the period from 7 May 2010 to 7 May 2011: 15.4% per annum).
- ▶ The third bond has a carrying value of VND 1,000,000,000,000 issued on 18 December 2009, with a term of three years. This bond bears initial interest rate of 14.5% per annum in the first year (from 18 December 2009 to 18 December 2010). The interest rate will be revised on an annual basis, equal to at the average 1-year saving rate of Maritime Joint Stock Bank (MSB), plus 4%. This bond is secured by (i) the land use right and the assets on the land of Vincom City Tower (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 associate of the Company.
- ▶ The fourth bond has a carrying value of VND 1,000,000,000,000, issued on 11 May 2010 with a term of five years. This bond bears initial interest rate in the first year of 16% per annum (from 11 May 2010 to 11 May 2011). The interest rate 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%. The bond proceeds are maintained in an account opened at Vietinbank – Hanoi branch and fully disbursed on demand. 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.
- ▶ The fifth bond has a carrying 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 initial interest rate of 12.5% per annum in the first year and the interest rate 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%. 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.

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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32. INTEREST-BEARING LOANS AND BORROWINGS (continued)

32.1 Interest-bearing loans and borrowings (continued)

Long-term borrowings

<i>Lender</i>	<i>Ending balance VND</i>	<i>Maturity date</i>	<i>Interest rate (% per annum)</i>	<i>Collateral</i>	
Bank for Investment and Development of Vietnam – Quang Trung Branch (“BIDV”)	1,374,032,720,275	72 months from the date of first loan	23/1/2015	Reference rate + 4.5%/year, and not greater than lending rate quoted by State Bank of Vietnam and BIDV	▶ Land use rights and assets to be formed on the land area at 66-68-70-72 Le Thanh Ton, Ben Nghe, District 1, HCM City.
Less: Current portion of loan from BIDV	(171,754,090,034)				▶ Machines, equipments, vehicles and other properties directly relating to the Project.
Vinpearl Land	1,809,400,000,000	36 months from contract date	14/9/2012	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
Sinh Thai	1,406,000,000,000	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
	<u>4,417,678,630,241</u>				

The proceeds from these loans are used for capital expenditure requirements for Group’s real estate development projects.

32.2. Financial liability designated at fair value through profit or loss

	<i>2010 VND</i>	<i>2009 Restated VND</i>	<i>2008 VND</i>
Financial liability designated at fair value through profit or loss	1,444,421,355,000	1,876,718,200,500	-
	<u>1,444,421,355,000</u>	<u>1,876,718,200,500</u>	<u>-</u>

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32. INTEREST-BEARING LOANS AND BORROWINGS (continued)

32.2. Financial liability through profit and loss (continued)

This represents the USD100,000,000 6% convertible bond ("the Bonds") issued on 15 December 2009, with a term of five years. This bond is unsecured, has a fixed coupon rate of 6% per annum payable semi-annually and has the following features:

- ▶ *Conversion option by bondholders:* the Bonds are convertible by the holders into new Vincom shares at any time on or after 30 April 2010 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the tenth day prior to 15 December 2014;
- ▶ *Conversion price reset:* the Bonds' initial conversion price is VND113,400 per share, with a fixed rate of exchange on conversion of VND18,775 per US\$1. If the arithmetic average of the Volume Weighted Average Price for one Vincom Share (being a Share carrying full entitlement to dividends) for ten consecutive Trading Days ending on and including each Reset Date is less than the Conversion Price in effect on the relevant Reset Date, the conversion price will be reset to that arithmetic average. The conversion price reset is subject to a reset price floor of 80% of the Initial Conversion Price. The Reset Date is on 15 June and 15 December each year, with the last Reset Date being 4 December 2014.
- ▶ *Issuer's option to redeem:* the Company may at any time after 15 December 2011 redeem all but not some only of the Bonds at their principal amount together with accrued but unpaid interest to the date fixed for such redemption if the Closing Price of the Vincom Shares on each of 20 consecutive Trading Days, the last day of which occurs not more than 30 days prior to the date upon which notice of such redemption is published, (translated into United States Dollars at the Prevailing Rate) was at least 130 per cent. of the principal amount for a Bond with a principal amount of US\$100,000 divided by the Conversion Ratio in effect on each of such Trading Days.
- ▶ *Issuer's option to redeem:* the Company may at any time redeem all but not some only of the Bonds at their principal amount together with accrued but unpaid interest to the date fixed for such redemption provided that prior to the date upon which notice of such redemption is published, at least 90 per cent. in principal amount of the Bonds originally issued have already been converted, redeemed or purchased and cancelled.
- ▶ *Issuer's option to redeem:* in the event of certain changes affecting taxation in Vietnam, the Company may, subject to certain conditions being satisfied, give notice to redeem the Bonds in whole, but not in part, at their principal amount, together with accrued but unpaid interest to the date fixed for redemption.
- ▶ *Bondholders' option to redeem:* on 15 December 2011, the holder of each Bond will have the right, at such Bondholder's option, to require the Issuer to redeem all or some of the Bonds at their principal amount together with accrued but unpaid interest to the date fixed for redemption.

Management has assessed that there is no equity component in the Bonds and has chosen to designate the entire Bonds as a financial liability at fair value through profit or loss. The fair value of the Bonds has been determined using the quoted ask price in the market as at 31 December 2010 and using a bond valuation model as at 31 December 2009.

Net loss in the fair value of the Bonds charged to the consolidated income statement for the year 2010 was VND434,676,561,883 (2009: VND98,835,902,632). Management has also assessed that the amount of change in the Bonds' fair value during the year that is attributable to changes in the credit risk of the liability is minimal.

During the year ended 31 December 2010, the Bondholders have converted USD40,700,000 bonds to 12,735,701 ordinary shares of the Company. The outstanding principal balance of the Bonds as at 31 December 2010 is USD59,300,000 (31 December 2009: USD100,000,000).

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33. ISSUED CAPITAL AND RESERVES

33.1 Issued capital

Authorised shares

	2010 VND	2009 VND	2008 VND
Ordinary share of VND10,000 each	3,726,252,370,000	1,996,272,380,000	1,199,831,560,000
	<u>3,726,252,370,000</u>	<u>1,996,272,380,000</u>	<u>1,199,831,560,000</u>

Number of ordinary shares issued and fully paid

	2010	2009	2008
At the beginning of the year	199,627,238	119,983,156	80,000,000
New shares issued	<u>172,997,999</u>	<u>79,644,082</u>	<u>39,983,156</u>
At the end of the year	<u>372,625,237</u>	<u>199,627,238</u>	<u>119,983,156</u>

33.2 Treasury shares

Re-issue of treasury shares

In December 2010, Royal City, Thien An and Ngoc Viet, three subsidiaries re-issued 18,042,440 Vincom shares to the stock market and a difference between the re-issue price and acquisition cost of VND285,308,838,082 is accounted for as an increase in share premium.

Treasury shares held by subsidiaries, associates and other investees

As at 31 December 2010:

- ▶ Royal City, a subsidiary, held 14,062,170 Vincom shares at a cost of VND720,199,415,988.
- ▶ Sinh Thai, an associate, held 24,606,242 Vincom shares at a cost of VND931,258,136,061.
- ▶ Vinpearl Hoi An, an associate, held 4,316,910 Vincom shares at a cost of VND210,941,597,681.

As at 31 December 2009:

- ▶ The Company held 10,791,895 treasury shares at a cost of VND880,022,503,713.
- ▶ Royal City, a subsidiary, held 1,910,000 Vincom shares at a cost of VND175,720,000,000.
- ▶ LIG, a subsidiary, also held 7,200,190 Vincom shares at a cost of VND842,422,230,000.
- ▶ Vinpearl Hoi An, an associate, held 419,267 Vincom shares at a cost of VND16,665,812,210.
- ▶ Hanoi Investment and General Services JSC, an investee, held 3,018,173 Vincom shares at a cost of VND187,420,083,828.

As at 31 December 2008:

- ▶ The Company held 10,655,515 treasury shares at a cost of VND 869,327,434,323.
- ▶ Hanoi Investment and General Services JSC, an associate, held 2,974,990 Vincom shares at a cost of VND 237,815,309,110.

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34. COMMITMENTS

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	1,663,500,000,000	52	1,250,000,000,000	413,500,000,000
2	Hanoi Southern City Development JSC	2,000,000,000,000	1,039,000,000,000	51.95	775,770,000,000	263,230,000,000
3	Viettronics Land Ltd	300,000,000,000	192,000,000,000	64	43,050,000,000	148,950,000,000
			<u>2,894,500,000,000</u>		<u>2,068,820,000,000</u>	<u>825,680,000,000</u>

Capital expenditure commitments relating to on-going real estate projects

The Company has entered into a number of contracts relating to the development of the Eden project in Ho Chi Minh city and the outstanding commitment on these contracts amounted to approximately VND 927 billion as at 31 December 2010.

Hanoi South, a subsidiary, has entered into a number of contracts relating to the development of the Eco 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 2,405 billion as at 31 December 2010.

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 11,199 billion as at 31 December 2010.

Sai Dong Urban Development and Investment JSC ("SaiDong 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 VND 342 billion as at 31 December 2010.

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:

	2010	2009	2008
	VND	VND	VND
Due within one year	778,408,017,029	207,979,035,875	28,161,771,230
Due in two to five years	1,376,178,083,353	275,570,728,514	52,573,630,945
Due in more than five years	214,531,765,498	125,197,975,403	104,720,489,084
	<u>2,369,117,865,880</u>	<u>608,747,739,792</u>	<u>185,455,891,259</u>

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34. COMMITMENTS (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 660 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 a potential real estate project in Long Bien District, Hanoi.

In addition, the Company also committed to provide a total amount of VND21.4 billion per year in the next 5 years as financial support for Hanel and an amount of VND6 billion as support to the relocation of the production facility.

Commitments under Business Co-operation Contract with Viettronics Dong Da

In accordance with Business Co-operation Contract dated 9 September 2009 between Vincom JSC and Viettronics Dong Da JSC ("VDD"), the Company agreed to compensate VDD an amount of VND 138 billion for site clearance to develop a real estate project at 54 Nguyen Chi Thanh Street, Dong Da District, Hanoi. The outstanding site clearance commitment to VDD amounted to VND108 billion as at 31 December 2010.

Commitments under Business Co-operation Contract with Haso and Vinaenco

In accordance with the Business Co-operation Contract dated 4 May 2010 between three (3) parties, including Vincom JSC, Hanoi Soap Joint Stock Company ("HASO") and Vietnam Engineering & Construction Joint Stock Company ("Vinaenco"), the Company agreed to support HASO an amount of VND 119.32 billion provided that the total land area handover is not less than 30,000m². Out of this amount, VND 55.29 billion is considered as land clearance cost to be paid by Xavinco and VND 64.03 billion is the cost that the Company and Vinaenco must pay to HASO to obtain the right to take part in this project.

Commitments under Business Co-operation Contract with Hanosimex and Phong Phu

In accordance with agreement on compensation signed between Vincom JSC and Hanoi Textile Garment Company ("Hanosimex") on 2 April 2009, the Company agreed to compensate VND 770 billion to Hanosimex for site clearance for the Eco City project. As at 30 December 2010, the committed amount under this agreement is VND403 billion.

In accordance with agreement on compensation signed between Vincom JSC and Phong Phu Corporation ("Phong Phu") on 2 April 2009, the Company agreed to compensate VND 1,105 billion to Phong Phu for site clearance for the Eco City project. As at 31 December 2010, the committed amount under this agreement is VND 451 billion. The Company also agreed to provide a credit facility of VND 250 billion to Phong Phu, in which VND 200 billion was disbursed up to 31 December 2010.

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34. COMMITMENTS (continued)

Other commitments (continued)

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.

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 2010, the committed amount under this agreement is VND88 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 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. 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.

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 2012:

- (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.

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35. FAIR VALUE OF FINANCIAL INSTRUMENTS

A. Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	2010 (VND)			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	Financial assets			
Held for trading investments (Note 19)				
- Equity instruments (quoted)	402,388,797,600	-	-	402,388,797,600
At 31 December 2010	402,388,797,600	-	-	402,388,797,600
Financial liabilities				
Financial liability designated at fair value through profit or loss (Note 32.2)				
- Convertible bonds	1,444,421,355,000	-	-	1,444,421,355,000
At 31 December 2010	1,444,421,355,000	-	-	1,444,421,355,000
	2009 (VND)			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets				
Held for trading investments (Note 19)				
- Equity instruments (quoted)	654,636,453,249	-	-	654,636,453,249
At 31 December 2009	654,636,453,249	-	-	654,636,453,249
Financial liabilities				
Financial liability designated at fair value through profit or loss (Note 32.2)				
- Convertible bonds	-	-	1,876,718,200,500	1,876,718,200,500
At 31 December 2009	-	-	1,876,718,200,500	1,876,718,200,500

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35. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

A. Fair value of financial instruments that are carried at fair value (continued)

	2008 (VND)			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets				
Held for trading investments (Note 19)				
- Equity instruments (quoted)	21,692,829,089	-	-	21,692,829,089
At 31 December 2008	21,692,829,089	-	-	21,692,829,089

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- ▶ Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- ▶ Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e., as price) or indirectly (i.e., derived from prices), and
- ▶ Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Determination of fair value

Quoted equity instruments (Note 19): Fair value is determined directly by reference to their published market bid price at the reporting date.

Convertible bonds (Note 32.2): As at 31 December 2010, fair value of the convertible bonds is determined directly by reference to their published market ask price at the reporting date. As at 31 December 2009, fair value of the convertible bonds is determined using valuation model which uses both observable and non-observable data. The non-observable inputs to the model include assumptions regarding future financial performance of the Company, its risk profile and economic assumptions regarding the industry and the country where the Company operates.

Impact of changes to key assumptions on fair value of Level 3 financial instruments

As at 31 December 2009, fair value of the convertible bonds has been determined using a valuation technique based on various assumptions that are not supported by observable market prices or data, such as the Company's expected dividend yield, the stock borrow rate, the expected stock volatility, the expected volatility of the USD to VND exchange rate, the expected correlation between the USD to VND exchange rate with Vincom share price, the VND and USD swap rates, the credit spread for Vincom's convertible bonds, and the expected recovery upon default.

Since the convertible bonds were issued on 15 December 2009, the Company's management assessed that the effect of changes to key assumptions on fair value of Level 3 financial instruments on 31 December 2009 would be minimal.

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35. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables and payables (Note 21), Receivables from/to related parties (Note 37), Payables to related parties (Note 37), Loans to related parties (Note 37), Other loans (Note 17, 23), Corporate bonds and long-term borrowings at floating rate (Note 31, 32.1), Corporate bonds at fixed rate (Note 32.1).

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date, or they are fixed rate instruments that approximate market interest rates on the reporting date.

C. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	2010		2009		2008	
	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND	Carrying amount VND	Fair value VND
Financial assets						
Equity instruments, at cost	41,133,452,789	*	125,130,000,000	*	187,960,000,000	*
Other long-term investments	59,320,856,363	*	76,820,856,363	*	145,566,668,000	*

* Investments in equity instruments and other long-term investments carried at cost (Note 17)

Fair value information has not been disclosed for the Group's investments in equity instruments and other long-term investments that are carried at cost because fair value cannot be measured reliably.

These equity instruments represent ordinary shares in other Vietnamese companies operating in the real estate industry that is not quoted on any market and does not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant. The Group does not intend to dispose of this investment in the foreseeable future.

Other long-term investments also include investments in other potential real estate projects in Vietnam. These investments will be converted to shares of the entities that will be established to manage these projects in the future, or will be reimbursed to the Company should the projects be cancelled or withdrawn.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash, investments in quoted and unquoted shares, deposits for investment purposes, loans to shareholders, bank loans and corporate bond. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group also has various financial assets such as trade receivables, held for trading securities, cash and short-term deposits, which arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risks include loans and borrowings, corporate bonds, financial liability designated as at fair value through profit or loss, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2010, 2009 and 2008. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

The following assumptions have been made in calculating the sensitivity analyses:

- ▶ 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 31 December 2010, 2009 and 2008.

Interest rate risk

Interest rate risk is the risk that the fair value of 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.

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.

	<i>Increase/(decrease) in basis points</i>	<i>Effect on profit after tax VND</i>
2010	150 (150)	(18,062,731,599) 18,062,731,599
2009	150 (150)	(9,941,076,101) 9,941,076,101

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. No analysis on interest sensitivity was performed for the year 2008 since a significant portion of borrowings are fixed rate during that year.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised at the balance date are as follows:

	Floating interest rate		Fixed interest rate maturing in 1 year or less	
	2010 VND	2009 VND	2010 VND	2009 VND
(i) Financial assets				
Cash	1,482,546,869,005	1,453,040,525,340	26,847,972,877	-
Short-term deposits (Note 23)	1,600,000,000,000	1,050,000,000,000	-	-
Trade receivable	-	-	-	-
Receivables from investment activities	-	-	-	-
Loans to and receivables from related parties and others (Note 23 and 37)	-	-	2,778,589,455,428	3,796,087,320,935
Other receivables	-	-	-	-
Held for trading investments	-	-	-	-
Other non-current financial assets	-	-	-	-
	3,082,546,869,005	2,503,040,525,340	26,847,972,877	3,796,087,320,935
				1,702,064,650,043

(ii) Financial liabilities

Trade payable	-	-	-	-
Payables to related parties	-	-	-	-
Other payables	-	-	-	-
Interest-bearing loans and borrowings	-	294,320,590,034	242,288,185,273	622,000,000,000
Financial liability designated as at fair value through profit or loss	-	-	-	-
Short-term customer's deposit (Note 29)	-	13,631,019,383	14,467,116,198	6,515,770,076
Long-term customer's deposit	-	-	-	-
	-	307,951,609,417	256,755,301,471	628,515,770,076

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

	Over 1 to 5 years		Non-interest bearing			
	2010 VND	2009 VND	2008 VND	2010 VND	2009 VND	2008 VND
(i) Financial assets						
Cash	-	-	-	-	-	-
Short-term deposits (Note 23)	-	-	-	-	-	-
Trade receivable	-	-	-	-	-	-
Receivables from investment activities	-	-	2,486,068,069,691	342,443,869,667	6,775,778,447	6,775,778,447
Loans to and receivables from related parties and others (Note 23 and 37)	-	-	-	-	-	219,585,372,882
Other receivables	-	-	-	57,540,117,622	-	-
Held for trading investments	-	-	-	13,850,362,840	44,205,677,475	27,043,449,932
Other non-current financial assets	-	-	-	402,388,797,600	654,636,453,249	23,373,140,839
	-	-	-	551,046,718,794	201,951,856,363	333,527,668,000
	-	-	-	3,453,353,948,925	1,300,777,974,376	610,305,410,100
(ii) Financial liabilities						
Trade payable	-	-	-	112,650,723,133	146,078,448,800	60,547,572,488
Payables to related parties	-	-	-	13,026,250,295	324,552,911,770	-
Other payables	-	-	-	10,153,327,748	312,358,369,150	367,641,351,786
Interest-bearing loans and borrowings	10,003,534,353,910	7,131,690,769,927	3,121,282,023,715	-	-	-
Financial liability designated as at fair value through profit or loss	1,444,421,355,000	1,876,718,200,500	-	-	-	-
Short-term customer's deposit (Note 29)	111,020,772,301	41,180,315,217	17,413,611,349	-	-	-
Long-term customer's deposit	11,558,976,481,211	9,049,589,285,644	3,138,695,635,064	135,830,301,176	782,989,729,720	428,188,924,274

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

	<i>Total carrying amount as per the consolidated statement of financial position</i>		
	2010 VND	2009 VND	2008 VND
<i>(i) Financial assets</i>			
Cash	1,482,546,869,005	1,453,040,525,340	26,847,972,877
Short-term deposits (Note 23)	1,600,000,000,000	1,050,000,000,000	-
Trade receivable	2,486,068,069,691	342,443,869,667	6,775,778,447
Receivables from investment activities	-	-	219,585,372,882
Loans to and receivables from related parties and others (Note 23 and 37)	2,778,589,455,428	3,853,627,438,557	1,702,064,650,043
Other receivables	13,850,362,840	44,205,677,475	27,043,449,932
Held for trading investments	402,388,797,600	654,636,453,249	23,373,140,839
Other non-current financial assets	551,046,718,794	201,951,856,363	333,527,668,000
	<u>9,314,490,273,358</u>	<u>7,599,905,820,651</u>	<u>2,339,218,033,020</u>
<i>(ii) Financial liabilities</i>			
Trade payable	112,650,723,133	146,078,448,800	60,547,572,488
Payables to related parties	13,026,250,295	324,552,911,770	-
Other payables	10,153,327,748	312,358,369,150	367,641,351,786
Interest-bearing loans and borrowings	10,297,854,943,944	7,373,978,955,200	3,743,282,023,715
Financial liability designated as at fair value through profit or loss	1,444,421,355,000	1,876,718,200,500	-
Short-term customer's deposit (Note 29)	13,631,019,383	14,467,116,198	6,515,770,076
Long-term customer's deposit	111,020,772,301	41,180,315,217	17,413,611,349
	<u>12,002,758,391,804</u>	<u>10,089,334,316,835</u>	<u>4,195,400,329,414</u>

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.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.

	<i>Change in US\$/VND rate</i>	<i>Effect on profit after tax VND</i>
2010	+5%	(54,196,714,406)
	-5%	54,196,714,406
2009	+5%	(36,139,502,350)
	-5%	36,139,502,350

No analysis on foreign currency sensitivity was performed for the year 2008 since the Group's monetary assets and liabilities denominated in foreign currency during the year were minimal.

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 Board of Management reviews and approves all equity investment decisions.

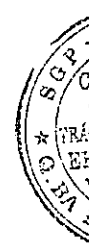
At the reporting date, the exposure to listed equity securities at fair value was VND402,388,797,600 (2009: VND654,636,453,249). A decrease of 10% on the stock market index could have an impact of approximately VND 30,179,159,820 (2009: VND49,097,733,994) on the Group's profit after tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Group's profit after tax by VND 23,349,514,941 (2009: VND49,097,733,994).

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 receivable

Customer credit risk is managed when the Group generally requires the customers to make down payment for purchase of residential properties. For sale of apartments at Vincom Center, the Group also generally requires the customers to provide security assets for any outstanding receivable balance. As at 31 December 2010, there is a receivable amount of VND1,917,153,315,671 outstanding from a corporate customer relating to these apartment sales.



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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Deposits with banks and financial institutions

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.

Lending to related parties

This credit risk is managed by the Group's finance function when the Group would normally obtain collaterals on loans provided to related parties.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and corporate bonds. The Group has managed this liquidity risk by arranging for long-term credit facilities with the banks to ensure that the loans will be repaid after the Group has completed and put into commercial operations its real estate projects. There are no undrawn credit facilities as at 31 December 2010.

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

<i>Year ended 31 December 2010</i>	<i>On demand VND</i>	<i>Less than 1 year VND</i>	<i>1 to 5 years VND</i>	<i>Total VND</i>
Interest bearing loans and borrowings	-	1,786,593,212,660	13,471,282,094,223	15,257,875,306,883
Convertible bonds	-	-	1,713,861,579,000	1,713,861,579,000
Customers' deposits	-	-	111,020,772,301	111,020,772,301
Trade payable	112,650,723,136	-	-	112,650,723,136
Payables to related parties	13,026,250,295	-	-	13,026,250,295
Other liabilities	-	10,313,713,301	-	10,313,713,301
	125,676,973,431	1,796,906,925,961	15,296,164,445,524	17,218,748,344,916

<i>Year ended 31 December 2009</i>				
Interest bearing loans and borrowings	-	1,257,616,391,709	9,536,235,673,121	10,793,852,064,830
Convertible bonds	-	-	2,319,974,200,500	2,319,974,200,500
Customers' deposits	-	14,467,116,198	41,180,315,217	55,647,431,415
Trade payable	146,078,448,800	-	-	146,078,448,800
Payables to related parties	324,552,911,770	-	-	324,552,911,770
Other liabilities	-	312,358,369,150	-	312,358,369,150
	470,631,360,570	1,584,441,877,057	11,897,390,188,838	13,952,463,426,465

<i>Year ended 31 December 2008</i>				
Interest bearing loans and borrowings	-	1,014,920,972,222	4,208,425,001,493	5,223,345,973,715
Customers' deposits	-	6,515,770,076	17,413,611,349	23,929,381,425
Trade payable	60,547,572,489	-	-	60,547,572,489
Payables to related parties	-	-	-	-
Other liabilities	-	367,641,351,786	-	367,641,351,786
	60,547,572,489	1,389,078,094,084	4,225,838,612,842	5,675,464,279,415

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

Capital of the Group includes equity attributable to the equity holders of the parent and convertible bonds. The Group also have various loans, bonds, trade and other payables.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 December 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade payables and accruals, less cash and cash equivalents.

	2010 VND	2009 VND	2008 VND
Interest bearing loans and borrowings	10,297,854,943,944	7,373,978,955,200	3,743,282,023,715
Trade payable and accruals	646,956,341,298	459,059,332,003	335,816,834,281
Less cash and cash equivalents	<u>(1,482,546,869,005)</u>	<u>(1,453,040,525,340)</u>	<u>(26,847,972,877)</u>
Net debt	<u>9,462,264,416,237</u>	<u>6,379,997,761,863</u>	<u>4,052,250,885,119</u>
Convertible bonds	1,444,421,355,000	1,876,718,200,500	-
Equity	<u>13,653,393,033,107</u>	<u>6,969,728,661,510</u>	<u>2,517,417,924,039</u>
Total capital	<u>15,097,814,388,107</u>	<u>8,846,446,862,010</u>	<u>2,517,417,924,039</u>
Capital and net debt	<u>24,560,078,804,344</u>	<u>15,226,444,623,873</u>	<u>6,569,668,809,158</u>
Gearing ratio	39%	42%	62%

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37. TRANSACTIONS WITH RELATED PARTIES

The financial statements include the financial statements of Vincom JSC and the subsidiaries (all incorporated in Vietnam) listed in the following table:

	<i>% voting rights</i>		
	<i>2010</i>	<i>2009</i>	<i>2008</i>
PFV Investment and Trading Co., Ltd	74.41	74.41	94.41
Vincom Securities Joint Stock Company	75.0	75.0	70.0
Tay Tang Long Real Estate Co., Ltd.	-	90.0	90.0
Hai Phong Land Development and Investment Joint Stock Company	90.0	90.0	-
Royal City Real Estate Development & Investment Joint Stock Company	51.98	51.0	-
Sai Dong Urban Development & Investment Joint Stock Company	51.0	51.0	-
Vietronics Land Company Limited	64.0	64.0	-
Lucky Investment Group JSC (disposed on 8 June 2010)	-	66.0	-
Hanoi Southern City Development JSC	51.95	55.95	-
Xavinco Land JSC	57	-	-
Ho Tay Real Estate Development and Investment Joint Stock Company	70	-	-
Ngoc Viet Real Estate JSC (disposed on 20 December 2010)	-	-	-
Thien An Investment Trading and Development JSC (disposed on 20 December 2010)	-	-	-

Significant transactions with related parties during the years ended 31 December 2010, 31 December 2009 and 31 December 2008 were as follows:

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37. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2010

Related parties	Relationship	Sales to related parties	Purchases from related parties	Collection from sale to related parties	Payment for purchase from related parties	Capital contribution to/(from) related parties	Other payments to/receivables from related parties	Other receipts from/payables to related parties
		VND	VND	VND	VND	VND	VND	VND
Vincharm Service and Development JSC	Associate (until 14 September)	8,907,314,737	-	(8,000,000,000)	-	-	-	-
Vietnam Investment Group JSC	Common owners	(*)733,700,000,000	-	(420,500,000,000)	-	-	528,838,992	(1,241,572,510)
Vietnam Tourism in Ho Chi Minh City	Associate	106,227,338	-	(106,227,338)	-	147,993,754,679	614,459,201,326	(235,281,635,222)
PCM JSC	Associate (until 6 September 2010)	-	(8,158,333,330)	-	11,831,250,601	-	11,914,266,391	(67,585,710)
Ecology Investment and Development JSC	Associate	(***)200,000,000,000	-	(10,000,000,000)	-	(95,000,000,000)	202,000,000,000	(16,000,000,000)
Ngoc Viet Land JSC	Associate	-	-	-	-	(54,778,823,556)	-	-
Ngoc Viet Land JSC	Associate	-	-	-	-	30,000,000,000	8,469,902,000	-
Foreign Trade Concrete JSC	Associate	-	(4,033,297,587)	-	4,033,297,587	-	-	-
Entertainment World JSC	Associate (until June 2010)	8,779,170,541	-	(11,622,997,818)	-	-	-	-
Vinpearl JSC	Common Owners	67,461,186,448	(1,896,087,176)	(69,426,886,705)	6,391,037,646	(305,900,000,000)	1,552,642,000	(1,586,755,093)
Hanoi Electronics Corporation	Major shareholder of Sai Dong	-	-	-	-	(150,000,000,000)	-	-
Hanoi Soap JSC	Major shareholder of Xavinco	-	-	-	-	-	-	(77,000,000,000)
Viettronics Dong Da	Major shareholder of Viettronics	-	-	-	-	-	-	(20,000,000,000)
Lucky Investment Group	Associate (from June to December 2010)	-	-	-	-	(4,500,000,000)	-	-
Key members of management	Related parties	32,972,467,077	(4,800,000,000)	(84,965,381,534)	4,800,000,000	-	57,016,898,094	(5,029,898,094)
Family members of management	Related parties	1,649,907,622	(100,000,000,000)	(53,210,981,562)	100,000,000,000	-	747,389,512	(747,389,512)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2010 (continued)

Related parties	Relationship	Loans to related parties	Borrowings from related parties	Principal repayment to related parties	Principal repayment from related parties	Interest receivable from related parties	Interest payable to related parties	Interest paid to related parties	Interest received from related parties
		VND	VND	VND	VND	VND	VND	VND	VND
Vincharm Service and Development JSC	Associate (until 14 September)	200,000,000,000	-	-	(200,000,000,000)	3,941,944,400	-	-	(3,941,944,400)
Vietnam Investment Group JSC	Common owners	-	(7,300,000,000)	7,300,000,000	-	-	(27,253,300)	27,253,300	-
Vietnam Tourism in Ho Chi Minh City	Associate	-	-	-	-	1,893,997,555	-	-	(1,893,997,555)
Ecology Investment and Development JSC	Associate	95,000,000,000	(1,500,000,000,000)	94,000,000,000	(95,000,000,000)	4,526,527,778	(23,592,680,000)	23,000,000,000	(4,526,527,778)
Vinpearl JSC	Common Owners	-	-	62,200,000,000	-	-	(268,147,159,800)	302,361,173,100	-
Hanoi Electronics Corporation	Major shareholder of Sai Dong Associate	350,000,000,000	-	-	-	21,777,777,734	-	-	-
Mega Global Corporation Investment and Trading JSC	Associate	-	-	68,646,733,300	-	-	-	-	-
Vinpearl Hoi An JSC	Associate	35,000,000,000	-	-	(29,200,000,000)	30,678,069,400	-	-	-
Key members of management	Related parties	-	(335,916,775,370)	331,307,060,750	(776,035,663,025)	47,524,325,381	(2,839,375,000)	-	(65,438,213,152)
Family members of management	Related parties	-	(5,288,265,078)	1,534,457,274	(664,000,000,000)	62,163,533,374	-	-	(80,671,308,440)

Notes: (*) includes sale of 45% of LIJ shares

(**) includes sale of 40% of Vincharm shares

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2009

Related parties	Relationship	Sales to related parties	Purchases from related parties	Collection from sale to related parties	Payment for purchase from related parties	Capital contribution to related parties	Other receipts from related parties	Other payments to related parties
		VND	VND	VND	VND	VND	VND	VND
Sinh Thai Investment and Development JSC	Major shareholder of PFV	-	-	-	-	-	186,000,000,000	-
Vietnam Tourism in Ho Chi Minh City	Associate	-	-	-	-	-	5,813,516,434	-
Vinpearl Hoi An Tourism - Investment JSC	Associate	-	-	-	-	72,000,000,000	-	-
Foreign Trade Concrete Co. Ltd	Associate	-	(16,572,590,630)	-	17,005,619,233	-	900,000,000	-
Vinpearl Land JSC	Common owners	1,995,885,214	-	-	-	-	672,988,733	(4,702,049,000)
Vincom Consultancy and Construction Management JSC	Associate	271,587,903	(12,164,326,003)	-	7,270,000,000	-	200,360,242,060	(354,893,114)
Vincharm Service & Development Joint Stock Company	Associate	3,269,908,719	-	-	-	-	264,921,711	-
Entertainment World Joint Stock Company	Associate	3,865,398,856	-	-	-	-	-	-
BIDV Land Joint Stock Company	Associate	-	-	-	-	84,745,448,000	11,999,314,000	(3,529,412,000)
Vietnam Investment Group JSC	Common owners	-	-	-	-	-	712,733,518	-
Key members of management	Related parties	466,329,524,076	-	(413,633,236,162)	-	-	51,987,000,000	-
Family members of management	Related parties	205,216,350,205	-	(149,249,410,215)	-	-	44,950,000,000	-

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2009 (continued)

Related parties	Relationship	Loans to related parties	Borrowings from related parties	Principal repayment from related parties	Interest receivable from related parties	Interest received from related parties
		VND	VND	VND	VND	VND
Green City Development JSC	Common owners	-	-	(46,346,650,000)	516,506,300	(3,971,993,100)
Mega Global Corporation Investment and Trading JSC	Associate	-	-	(48,500,000,000)	2,667,500,000	(11,907,266,700)
Hanoi Investment & General Services JSC	Investee	-	68,646,733,300	(125,890,000,000)	28,645,091,600	-
Vinpearl Hoi An Tourism - Investment JSC	Associate	-	-	(43,000,000,000)	33,704,166,800	-
VFG Investment JSC	Investee	-	-	(105,100,000,000)	8,222,337,600	(16,496,055,900)
Vinpearl Land JSC	Common owners	1,871,600,000,000	-	-	-	-
Key members of management	Related parties	1,197,861,600,000	-	(582,787,166,900)	59,303,889,817	(22,703,669,212)
Family members of management	Related parties	869,500,000,000	14,000,000,000	(321,464,750,000)	33,727,190,854	(15,282,635,220)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2008

Related parties	Relationship	Sales to related parties	Purchases from related parties	Capital contribution to related parties	Other payments to related parties
Hai Phong Land Development & Investment JSC	Associate	VND -	VND -	VND 328,400,000,000	VND -
VFG Investment JSC	Investee	-	-	100,000,000,000	-
Vinpearl Hoi An Tourism – Investment JSC	Associate	-	-	60,000,000,000	-
Mega Global Corporation Investment and Trading JSC	Associate	-	-	69,870,000,000	-
Hanoi Investment & General Services JSC	Associate	-	-	36,000,000,000	-
Mega Global Investment JSC	Common owners	(67,500,000,000)	-	-	-
Future Investment and Trade JSC	Common owners	(72,000,000,000)	-	-	-
Foreign Trade Concrete Co. Ltd.,	Associate	-	17,595,905,979	9,000,000,000	-
Vietnam Tourism JSC	Associate	-	-	24,222,484,075	-
Key members of management	Related parties	(34,248,750,000)	111,336,860,000	-	-
Shareholders	Shareholders	(13,774,674,039)	114,000,000,000	-	156,815,031,991

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2008 (continued)

Related parties	Relationship	Loans to related parties	Principal repayment from related parties	Interest receivable to related parties
Hai Phong Land Development & Investment JSC	Associate	VND 90,000,000,000	VND -	VND 2,417,500,000
VFG Investment JSC	Investee	150,000,000,000	(44,900,000,000)	8,273,718,300
Vinpearl Hoi An Tourism – Investment JSC	Associate	250,000,000,000	-	12,736,555,600
Mega Global Corporation Investment and Trading JSC	Associate	180,000,000,000	(131,500,000,000)	9,239,766,700
Hanoi Investment & General Services JSC	Associate	230,000,000,000	(1,000,000,000)	13,481,369,400
Vietnam Tourism JSC	Associate	4,075,200,000	-	-
Key members of management	Related parties	505,000,000,000	(645,534,237,500)	44,947,903,000
Shareholders	Shareholders	90,000,000,000	(954,624,545,100)	77,992,150,900
Employees	Employees	246,804,370,000	-	20,085,796,900

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Terms and conditions of transactions with related parties

For the year ended 31 December 2010

During the year, loans provided by the Company to its related parties bear interest rates ranging from 10% per annum to 15% per annum.

In 2010, PFV, a subsidiary, provided loans to its shareholders at interest rates ranging from 12.5% to 16% per annum.

Also, Hai Phong Land, a subsidiary, provided loans to its related parties at interest rates ranging from 1% to 14.4% per annum. The loan with interest rate of 1% per annum was fully settled during the year.

In 2010, Royal City, a subsidiary, provided loans to its related parties at interest rates ranging from 7% to 13.3% per annum.

In 2010, Sai Dong, a subsidiary, provided loans to its related parties at interest rates ranging from 10% per annum.

On 18 January 2010, Royal City, a subsidiary, acquired 10 million shares of Thien An from a related party.

On 15 March 2010, the Company also acquired 480,000 shares of Thien An from another related party.

On 8 June 2010 and 23 November 2010, the PFV and Royal City, two subsidiaries respectively disposed 25% and 18% its equity ownership in LIG to a related party.

On 14 September 2010, the Company acquired another 9.2% shares in Ngoc Viet from a related party.

During the year, the Company has transferred two land lots and the assets on the land in Nha Trang City, Khanh Hoa Province to Vinpearl Joint Stock Company, a company that have common owners with Vincom.

During the period, the Group has not made provision for doubtful debts relating to amounts due from related parties (31 December 2009: 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.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2009

In 2009, loans provided by the Company to related parties bear interest rates ranging from 12.5% to 15% per annum.

In 2009, PFV, a subsidiary, provided loans to its shareholders at interest rates ranging from 12.6% to 12.8% per annum.

In 2009, Hai Phong Land, a subsidiary, provided loans to its shareholders at interest rates ranging from 3% to 14.4% per annum.

In 2009, LIG, a subsidiary, provided loans to its shareholders at interest rates ranging from 0% to 7.5% per annum.

In 2009, Royal City, a subsidiary, provided loans to its shareholders at interest rates ranging from 7% to 13.3% per annum.

Vincom Securities, a subsidiary, has also extended investment management agreements with four of the Company's shareholders to invest in unquoted securities. Such investment management agreements are unsecured and bear a fixed interest rate of 11.5% p.a, and subsequently reduced to 11% per annum from 24 June 2009, with a six-month term.

The loans and the investment management agreements provided by the Company and its subsidiaries have been approved by the respective Board of Management during the year.

On 31 March 2009, the Company transferred 5% equity interest in IGS to a shareholder at a price of VND37,500,000,000 and on 5 August 2009, the Company transferred the rest 15% equity interest in IGS to another shareholder at a price of VND90,000,000,000.

On 30 June 2009, the Company and VSC, a subsidiary, transferred 5% equity interest in PFV (equivalent to 3 million shares) to two shareholders at a price of VND30,000/share.

On 10 July 2009, the Company transferred 15% equity interest in PFV (equivalent to 9 million shares) to a shareholder of Hai Phong Land and a shareholder of PFV at a price of VND21,000/share.

Also, on 8 August 2009, the Company transferred 10% equity interest in VFG (equivalent to 15 million shares) to a shareholder at a price of VND10,000/share.

On 16 July 2009, the Company has made a step acquisition by acquiring an additional equity interest of 5% in Haiphong Land JSC from MGC, an associate.

On 17 November 2009, PFV, a subsidiary, acquired 15% shares of LIG from a relative of Vincom's Board of Management at a price of VND140,000/share. The par value of LIG share is VND100,000.

On 1 December 2009, PFV acquired another 9% shares of LIG from a Vincom shareholder, who is also a member of Vincom's Board of Management, at a price of VND140,000/share.. On the same date, PFV also acquired another 0.3% shares of LIG from a relative of a member of Vincom's Board of Management at the same price.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

For the year ended 31 December 2009 (continued)

On 1 December 2009, Royal City, a subsidiary, acquired 9% shares of LIG from a Vincom shareholder, who is also a member of the Board of Management, at a price of VND140,000/share.

During the year, PFV has also sold apartment units to certain related parties. The sales of apartments to related parties are made at the Group's usual list prices

In current year, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2008: Nil). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

For the year ended 31 December 2008

In 2008, the loans provided by the Company to its related parties bear interest rates ranging from 14.2% to 21% per annum. In addition, PFV, a subsidiary, also provided loans to its shareholders at interest rates ranging from 12% to 21.7% per annum.

During the year, Vincom Securities JSC, a subsidiary, also entered into investment management agreements with four of the Company's shareholders to invest in unquoted securities. Such investment management agreements bear a fixed rate of return of 11.5% per annum with terms ranging from 3 months to 6 months.

The loans and the investment management agreements provided by the Company and its subsidiaries have been approved by the respective Board of Management during the year.

In June 2008, the Company re-acquired 2.3% equity interest in PFV from two shareholders at a price of VND40,000/share. The Company also acquired 5% equity interest in PFV from another shareholder at a price of VND30,000/share and an additional 3.99% equity interest from other shareholders at a price of VND40,000/share.

On 11 December 2008, the Company transferred 31% equity interest in Hai Phong Land Development & Investment JSC to Mega Global Investment JSC and Future Investment and Trade JSC, which are two companies having same shareholders with Vincom, for VND 67.5 billion and VND 72 billion respectively. The settlement term under the contract is within 90 days after the signing date. Such amounts are unsecured and still outstanding as at 31 December 2008.

On 25 September 2008, the Company disposed the entire equity interest (equivalent to 60% of chartered capital with a par value of VND 1.584 billion) in Hung Viet Trading and Advertisement JSC to Pham Minh Anh, a shareholder, at a transfer price of VND 9 billion.

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due to and from related parties at 31 December 2010

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amount VND</i>
Receivables			
Vietnam Tourism in Ho Chi Minh City	Associate	Proceeds from sale of Nguyen Cong Tru project	379,173,727,933
Ecology Investment and Development JSC	Associate	Disposal of shares in Vincharm	190,000,000,000
Vinpearl Hoi An Vietnam	Associate	Interest	55,980,898,500
Investment Group	Common owners	Interest	77,114,958,400
Hanoi Electronics Corporation	Shareholder	Disposal of LIG shares	313,200,000,000
Pham Khac Phuong	Board member of PFV	Interest	21,777,777,734
		Purchase of Vincom Center apartment	20,269,097,550
			<u>1,057,516,460,117</u>
Short-term loans and interest receivables			
Various related parties			<u>499,655,767,022</u>
			<u>1,557,172,227,139</u>
Long-term loans and interest receivables			
Hanoi Electronics Corporation	Shareholder		<u>141,868,542,684</u>
			<u>141,868,542,684</u>

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Details of loans and interest receivables from 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 loans and interest receivables						
Vinpearl Hoi An Tourism JSC.	Associate	177,258,559,433	15.00%	1 March 2011	21 million shares in Vietnam Investment Group JSC of Ms Pham Thu Huong	74,979,472,300
		34,769,358,203	11.50%	28 June 2011	None	2,135,486,100
Ecology Investment and Development JSC	Associate	89,068,625,889	15.00%	19 February 2011	None	55,980,898,500
Hanoi Electronics Corporation	Sai Dong's shareholder	198,559,223,497	10%	5 April 2011	None	9,944,444,434
		499,655,767,022				143,040,301,334
Long-term loans and interest receivables						
Hanoi Electronics Corporation	Sai Dong's shareholder	141,868,542,684	10%	23 March 2015	None	11,833,333,300
		141,868,542,684				11,833,333,300

Payables

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Receivable/ (payable) VND</i>
Sinh Thai Investment and Development JSC	Associate	Interest payable	(592,680,000)
Key members of management	Key members of management	Downpayment for purchase of Royal apartments	(12,433,570,295)
			(13,026,250,295)

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due to and from related parties at 31 December 2009

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Receivable/ (payable)</i> <i>VND</i>
<i>Payables</i>			
MGC	Associate	Interest free loan	(68,646,733,300)
BIDV Land	Associate	Advance paid on behalf	(8,469,902,000)
VCCM	Associate	Consultancy service provided	(4,894,326,000)
Vinpearl Land JSC	Common owners	Purchase electric cable	(4,554,950,470)
Key members of management		Distributed dividend on PFV's profit	(51,987,000,000)
Sinh Thai Investment and Development JSC	Key shareholders of PFV	Distributed dividend on PFV's profit	(186,000,000,000)
			<u>(324,552,911,770)</u>
<i>Receivables</i>			
Hanoi Investment and General Services JSC	Common owners	Interest receivable	42,213,856,889
Vinpearl Hoi An Tourism - Investment	Associate	Interest receivable	46,440,722,400
Vietnam Investment Group JSC	Common owners	Expense paid on behalf	712,733,518
Vinpearl Land JSC	Common owners	Expense paid on behalf	1,995,885,214
Key members of management		Interest	42,669,008,257
		Purchasing PFV apartment	52,696,287,913
Family members of management		Interest	18,896,136,176
		Purchasing PFV apartment	63,102,247,566
			<u>268,726,877,933</u>

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Details of borrowings and respective interest due from related parties are as following:

<i>Related parties</i>	<i>Relationship</i>	<i>Balance of loans/trust investments</i> <i>VND</i>	<i>Interest rate</i> <i>% per annum</i>	<i>Maturity date</i>	<i>Collateral</i>	<i>Interest receivable/ Other receivable</i> <i>VND</i>
Hanoi Investment and General Service JSC	Investee	103,840,478,449	16.7 - 14.2	20/2/10	21.25 million shares in Hanoi Investment and General Service JSC	42,214,301,190
Vinpearl Hoi An Tourism - Investment JSC	Associate	208,558,436,412	16.7 - 14.2	3/1/10	21 million shares in Vietnam Investment Group JSC of Ms Pham Thu Huong	46,440,722,400
Hoang Van Son	PFV's Board member	149,503,369,517	7	23/1/10	15,000,000 shares of Mr. Pham Khac Phuong in Vietnam Investment Group JSC	4,721,111,200
		100,000,000,000	13.3	2/11/10	10,000,000 shares of Mr. Hoang Van Son in Vietnam Investment Group JSC	-
Pham Hong Linh	Family member of a Board's member	57,540,117,623	0	7/4/10	8,000,000 shares in Sinh Thai Development and Investment JSC of Mrs. Pham Hong Linh	-
		148,720,985,315	8	30/3/10	15,000,000 shares of Mrs. Pham Thu Huong in Vietnam Investment Group JSC	2,843,750,000
		41,000,000,000	11	16/3/10	2,500,000 shares in Vincom owned by Pham Nhat Vuong	764,194,443
Phan Thu Huong	LIG's Board member	100,000,000,000	11	16/3/10	2,500,000 shares in Vincom owned by Pham Nhat Vuong	4,698,230,835
		149,698,997,329	7	23/1/10	15,000,000 shares of Mrs. Pham Thu Huong in Vietnam Investment Group JSC	-
		100,000,000,000	13.3	2/11/10	10,000,000 shares of Mr. Pham Nhat Vuong in Vietnam Investment Group JSC	-
		2,064,228,368	5	17/2/10	210,000 shares in VN Investment Group JSC of Mrs Phan Thu Huong	-
		31,469,946,871	8	28/2/10	3,400,000 shares in VN Investment Group JSC of Mrs Phan Thu Huong	-

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Details of borrowings and respective interest due from related parties are as following (continued):

Related parties	Relationship	Balance of loans/trust investments	Interest rate	Maturity date	Collateral	Interest receivable/ Other receivable
		VND	% per annum			VND
Nguyen Quoc Thanh	Family member of a Board's member	213,004,149,584	13.3	14/10/10	21,000,000 shares of Mr. Pham Nhat Vuong in Vietnam Investment Group JSC	5,844,611,100
Nguyen Trong Hien	Hai Phong Land's Board member	47,950,509,991 21,152,470,929	3 3	12/6/10 16/6/10	7,200,000 shares in Vietnam Investment Group JSC of Ms Pham Thu Huong	3,396,500,000
Pham Khac Phuong	PFV's Board member	10,000,000,000	13	3/11/10	10,000,000 shares of Vietnam Investment Group JSC	1,470,000,000
		229,797,375,356	8	9/1/10	23 million shares of Mr. Pham Khac Phuong in Vietnam Investment Group JSC	4,304,666,600
		61,000,000,000	13.3	30/10/10	6.1 million shares of Mr. Pham Khac Phuong in Vietnam Investment Group JSC	
		72,530,798,484	7	31/5/10	no pledge	1,622,522,222
		21,962,007,442	7	16/1/10		
Pham Thu Huong	Family member of a Board's member	202,861,094,842	13.3	14/10/10	20,000,000 shares of Mrs. Pham Thu Huong in Vietnam Investment Group JSC	5,837,222,300
		63,000,000,000	13	11/3/10	8,000,000 share in Vietnam Investment Group JSC of Ms Pham Thu Huong	3,254,025,000
Vu Duc The	Hai Phong Land's Board member	119,238,693,924 90,224,628,052	1 14	21/1/10 28/1/10	3,900,000 shares in LIG of Ms Pham Thu Huong	22,455,533,099
Pham Thi Tuyet Mai	Family member of a Board member	-	-	-	-	352,333,333
		2,345,118,288,488				150,219,723,722
Total loans to and receivables from related parties						2,613,845,166,421

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due from related parties at 31 December 2008:

Related parties	Relationship	Balance of	Interest	Maturity	Collateral	Interest
		loans/trust investments	rate	date		receivable/Other receivable
		VND	% per annum			VND
Pham Hong Linh	Family member of a Board's member	30,582,450,000	16.3% - 14.2%	25/6/09	Land use right at District 9	2,516,111,300
VFG Investment JSC	Investee	105,100,000,000	16.7% - 14.2%	22/2/09	21 million shares in VFG Investment JSC	8,273,718,300
Vinpearl Hoi An Tourism - Investment JSC	Associate	250,000,000,000	16.7% - 14.2%	28/2/09 - 28/4/09	30 million shares in Mega Global Investment JSC	12,736,555,600
Mega Global Corporation Investment and Trading Joint Stock Company	Associate	48,500,000,000	16.7% - 14.2%	18/2/09	30 million shares in Mega Global Investment JSC	9,239,766,700
Hanoi Investment and General Service JSC	Associate	229,000,000,000	16.7% - 14.2%	19/2/09	25.6 million shares in Hanoi Investment and General Service JSC	13,481,369,400
Hai Phong Land Development & Investment JSC	Associate	90,000,000,000	16.7% - 14.2%	28/4/09	9 million shares in Mega Global Investment JSC	2,417,500,000
Vietnam Tourism JSC	Associate	4,218,071,000	0%	Not specified	Not specified	-
Green City Development JSC	Common owners	46,346,650,000	16.3% - 14.2%	Not specified	Land use right at District 9	3,455,486,900
Hoang Van Son	PFV's Board member	172,500,000,000	21.7% - 12%	12/12/08 - 29/6/09	2.5 million shares in Vinpearl	10,537,341,744
Nguyen Thi An Ha	PFV's Board member	129,500,000,000	21.7% - 12%	31/1/09 - 29/9/09	Tourism and Trading JSC	13,106,795,555
Vo Thi Phuong Thao	PFV's Board member	40,000,000,000	21.7% - 15.2%	31/1/09	and 30 million shares in VFG Investment JSC	3,327,333,312
Pham Nhat Vuong	Major shareholder and a Board member	50,000,000,000	11.50%	16/6/09	2,500,000 shares in Vincom owned by Mr Pham Nhat Vuong	4,839,583,333
Other individuals	Employee	246,804,370,000	16.3% - 14.2%	24/6/09 to 2/7/09	Land use right at District 9	20,085,796,900

Vincom Joint Stock Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2010, 31 December 2009, 31 December 2008 and for the years then ended

37. TRANSACTIONS WITH RELATED PARTIES (continued)

Amount due from related parties at 31 December 2008 (continued)

Related parties	Relationship	Balance of	Interest	Maturity	Collateral	Interest
		loans/trust investments	rate	date		receivable/Other receivable
		VND	% per annum			VND
Hoang Quoc Thuy	Vincom shareholder	50,000,000,000	11.50%	16/6/09	2,500,000 shares in Vincom owned by Mr Pham Nhat Vuong	4,839,583,333
Pham Hong Linh	Family member of a Board's member	41,000,000,000	11.50%	16/6/09		4,816,583,333
Phan Thu Huong	Vincom shareholder	50,000,000,000	11.50%	16/6/09		4,839,583,333
		1,583,551,541,000				118,513,109,043
Total loans to and receivables from related parties						1,702,064,650,043

Other related party transactions

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

	2010	2009	2008
		VND	VND
Salaries and bonus	3,031,614,708	2,944,753,187	1,409,700,000
Termination benefit	-	-	152,000,000
	3,031,614,708	2,944,753,187	1,561,700,000

38. EVENTS AFTER THE REPORTING PERIOD

Under the terms of the USD 100,000,000 convertible bond issued on 15 December 2009, the bondholders have the option to convert the bonds to the Company's ordinary shares at any time on or after 30 April 2010 up to the close of business on the tenth day prior to 15 December 2014. For the period from 1 January 2011 to 31 January 2011, the bondholders have converted USD 28,000,000 bonds into 8,761,662 ordinary shares of the Company at the exercise price of VND60,000 per share.

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.