

Vincom Joint Stock Company

Unaudited interim condensed consolidated financial statements

30 June 2011

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 interim condensed consolidated financial statements of the Company and its subsidiaries ("the Group") as at 30 June 2011 and for the six months then ended.

THE COMPANY

Vincom Joint Stock Company is a joint stock enterprise established in Vietnam in accordance with original Business Registration Certificate No. 0103001016 issued by Hanoi's Department of Planning and Investment on 3 May 2002 and the revised Business Registration Certificate No. 0101245486 on 12 May 2010. The Company has also received subsequent amended Business Registration Certificates with the latest being the 37th amended Business Registration Certificate dated 10 June 2011.

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

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

The Company's head office is located at No. 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Viet Nam and its branch is located at No. 72 Le Thanh Ton street, Ben Nghe ward, district 1, Hochiminh city, Vietnam.

The Company has the following subsidiaries:

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

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

PFV's principal business activities are to construct and provide retail outlets, commercial offices for lease and high-end apartment units for sale. As at 30 June 2011, the Company holds 74.41% voting rights in this subsidiary.

Vincom Securities Joint Stock Company ("VSC")

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

VSC's principal business activities are to provide brokerage services, proprietary trading of securities, underwriting and investment advisory services. VSC's head office is located at No. 72 Le Thanh Ton street, Ben Nghe ward, district 1, Hochiminh city, Vietnam. As at 31 December 2010, the Company holds 75% voting rights in this subsidiary.

The Group has fully disposed its equity interest in VSC in March 2011.

Hai Phong Land Development and Investment Joint Stock Company ("Hai Phong Land")

Hai Phong Land is a joint stock company established in accordance with Business Registration Certificate 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.

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") (continued)

Hai Phong Land 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 No. 4 Le Thanh Tong street, May To ward, Ngo Quyen district, Hai Phong city, Vietnam for the development of an office and apartment building complex. As at 30 June 2011, the Company directly and indirectly holds 90% voting rights in this subsidiary.

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

Royal City is a joint stock company established in accordance with Business Registration Certificate 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 No. 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 Registration Certificate. As at 30 June 2011, 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 Business Registration Certificate No. 0103040736 dated 17 September 2009, with a registered chartered capital of VND500 billion. The registered office address of this company is at No. 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam.

Sai Dong's principal business activities are to trade real estate properties, construct buildings and perform civil works, provide hospitality and entertainment services and conduct other businesses as stipulated in its Business Registration Certificate. As at 30 June 2011, the Company holds 61% voting rights in this subsidiary.

Viettronics Land Company Limited ("Viettronics Land")

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

Viettronics Land's 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 30 June 2011, the Company holds 84% 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. The registered office address of this company is at No. 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam.

Hanoi South's principal activities are to trade real estate properties, construct buildings, airport, seaport, highway, provide hospitality, entertainment services and conduct other businesses as stipulated in its Business Registration Certificate. As at 30 June 2011, 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 Registration Certificate No. 0104644263 issued by Hanoi Department of Planning and Investment on 11 May 2010, with a registered chartered capital of VND 60 billion. The registered office address of this company is at No. 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam.

Xavinco's principal business activities are to trade real estate properties, construct buildings and perform civil works, and provide hospitality, entertainment, sauna, massage and advertising services. On 27 June 2011, the Group has disposed 56% equity interest in Xavinco, and thereby, reducing its ownership interest in this company to 1%.

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

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

Ho Tay's 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 30 June 2011, 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 six months ended 30 June 2011 was VND441,924,735,997 (for the six months ended 30 June 2010: VND 1,797,871,099,723).

In accordance with the Annual General Shareholder Meeting minute dated 26 February 2011, the General Shareholder has approved the dividend declaration of VND 2,300,000,000,000 from the profit of the year ended 31 December 2010. This dividend amount was paid out in August 2011.

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 7 July 2011, the Group has acquired an additional 6.5% equity interest in Royal City Development JSC, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 58.48%.

On 13 July 2011 and 20 July 2011, the Group has respectively disposed 10% and 73% equity interest in Viettronics Land Company Limited, an existing subsidiary, and thereby, reducing its equity interest in this company to 1%.

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

On 25 July 2011, the Group has acquired an additional 1.05% equity interest in Hanoi Southern City Development JSC, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 53%.

On 30 August 2011, the Group has acquired an additional 15% equity interest in Royal City Development JSC, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 73.48%.

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

Vincom Joint Stock Company

REPORT OF THE BOARD OF MANAGEMENT (continued)

THE BOARD OF MANAGEMENT

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

Le Khắc Hiep	Chairman	
Pham Nhat Vuong	Member	
Pham Thuy Hang	Member	
Mai Huong Noi	Member	
Nguyen Dieu Linh	Member	
Pham Van Khuong	Member	Resigned on 26 February 2011
Roy Chung Yee Ling	Member	Appointed on 26 February 2011

AUDITORS

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

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

Management is responsible for the interim condensed consolidated financial statements of each financial period which give a true and fair view of the financial position of the Group and of the Group's interim consolidated results and interim consolidated cash flows for the period. In preparing those interim condensed 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 interim condensed consolidated financial statements; and
- ▶ prepare the interim condensed consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

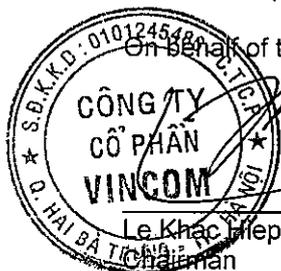
Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the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

Management has confirmed to the Board of Management that the Group has complied with the above requirements in preparing the accompanying interim condensed consolidated financial statements.

APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying interim condensed consolidated financial statements which give a true and fair view of the financial position of the Group as at 30 June 2011 and the results of its operations and cash flows for the six months then ended in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

On behalf of the Board of Management:



Hanoi, Vietnam

8 September 2011

Reference: 60729565/15091478

Report on review of interim condensed consolidated financial statements to the shareholders of Vincom Joint Stock Company

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Vincom Joint Stock Company ("the Company") and its subsidiaries ("the Group") as at 30 June 2011, comprising of the interim consolidated statement of financial position as at 30 June 2011 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



Ernst & Young Vietnam Ltd.

8 September 2011

Vincom Joint Stock Company

INTERIM CONSOLIDATED INCOME STATEMENT for the six months ended 30 June 2011

		2011 <i>Unaudited</i>	2010
	Notes	VND	VND
Continuing operations			
Rental income		485,614,466,927	268,896,006,352
Sale of inventory properties		385,822,411,618	85,940,399,626
Revenue		871,436,878,545	354,836,405,978
Cost of sales		(251,460,249,065)	(76,597,573,758)
Gross profit		619,976,629,480	278,238,832,220
Valuation (loss)/gain from completed investment property	8	(12,323,717,430)	1,703,683,047,149
Valuation gain from investment property under construction	9	770,270,110,745	644,006,345,199
Other operating income		219,116,513,300	26,437,658,904
Selling and distribution costs		(253,329,708,169)	(8,851,159,734)
Administrative expenses		(74,799,295,352)	(67,379,212,872)
Other operating expenses		(64,183,153,586)	(92,271,925,375)
Operating profit		1,204,727,378,988	2,483,863,585,491
Finance income	7.1	645,701,521,392	459,376,390,939
Finance costs	7.2	(454,658,578,571)	(350,944,200,827)
Net loss on financial liability at fair value through profit or loss	22.2	(541,697,052,600)	(80,443,251,688)
Share of profit/(loss) of associates		212,561,261,306	(13,398,414,688)
Profit for the period from continuing operations before tax		1,066,634,530,515	2,498,454,109,227
Income tax expense	5	(537,219,514,345)	(620,255,451,906)
Profit for the period from continuing operations		529,415,016,170	1,878,198,657,321
Discontinued operations			
(Loss)/gain after tax for the period from discontinued operations	4	(1,904,814,190)	12,312,869,903
Profit for the period		527,510,201,980	1,890,511,527,224
<i>Attributable to:</i>			
Equity holders of the parent		441,924,735,997	1,797,871,099,723
Non-controlling interests		85,585,465,983	92,640,427,501
Earnings per share:			
▶ Basic, profit for the period attributable to equity holders of the parent		1,203	5,328
▶ Diluted, profit for the period attributable to equity holders of the parent		1,203	5,056
Earnings per share for continuing operations:			
▶ Basic, profit from continuing operations attributable to equity holders of the parent		1,208	5,292
▶ Diluted, profit from continuing operations attributable to equity holders of the parent		1,208	5,022

Vincom Joint Stock Company

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the six months ended 30 June 2011

	<i>2011</i>	<i>2010</i>
	<i>Unaudited</i>	
<i>Notes</i>	<i>VND</i>	<i>VND</i>
Profit for the period	527,510,201,980	1,890,511,527,224
Other comprehensive income (loss) for the period, net of tax	-	-
Total comprehensive income for the period, net of tax	<u>527,510,201,980</u>	<u>1,890,511,527,224</u>
<i>Attributable to:</i>		
Equity holders of the parent	441,924,735,997	1,797,871,099,723
Non-controlling interest	85,585,465,983	92,640,427,501
	<u>527,510,201,980</u>	<u>1,890,511,527,224</u>

Vincom Joint Stock Company

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2011

		30 June 2011 <i>unaudited</i>	31 December 2010 <i>audited</i>
	Notes	VND	VND
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	10	86,197,816,027	166,879,561,349
Intangible assets		170,051,433,226	175,274,304,159
Completed investment property	8	13,675,298,712,552	13,662,268,342,043
Investment property under construction	9	5,316,930,571,874	3,126,772,625,242
Construction in progress	10	1,093,678,033,998	2,213,468,610,370
Investment in associates	6	3,006,853,212,381	2,789,647,233,248
Other non-current financial assets	11	620,701,426,242	551,046,718,794
Deferred tax assets		71,622,498,942	191,857,967,156
Long-term prepayments		108,561,266,492	42,965,790,704
Total non-current assets		<u>24,149,894,971,734</u>	<u>22,920,181,153,065</u>
CURRENT ASSETS			
Inventories	12	9,363,926,523,886	2,264,169,759,164
Trade receivables	13	1,003,707,616,130	2,486,068,069,691
Advances to suppliers		1,851,690,779,274	1,638,208,034,997
Held-for-trading investments	14	1,196,550,206,000	402,388,797,600
Loans to and receivables from related parties	23	1,021,669,605,152	1,557,172,227,139
Short-term prepayment and other receivables	15	1,582,291,376,173	427,150,066,534
Short-term investments	16	3,682,551,276,229	2,833,212,956,859
Cash and cash equivalents	17	191,075,196,064	1,482,546,869,005
Total current assets		<u>19,893,462,578,908</u>	<u>13,090,916,780,989</u>
Assets classified as held for sale	4.2	232,680,171,938	344,702,210,619
TOTAL ASSETS		<u>44,276,037,722,580</u>	<u>36,355,800,144,673</u>

Vincom Joint Stock Company

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2011

	Notes	30 June 2011 unaudited VND	31 December 2010 audited VND
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Issued capital	21.1	3,911,498,930,000	3,726,252,370,000
Share premium	21.2	3,417,615,130,344	1,618,453,946,594
Treasury shares	21.3	(1,282,839,330,001)	(1,323,946,322,845)
Other reserves		7,845,114,933	4,525,675,236
Retained earnings		7,596,397,585,207	9,628,107,364,122
Equity attributable to equity holders of the parent		13,650,517,430,483	13,653,393,033,107
Non-controlling interest		3,489,642,901,351	3,086,626,426,052
Total equity		17,140,160,331,834	16,740,019,459,159
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	22.1	8,463,169,431,141	10,003,534,353,910
Financial liability designated at fair value through profit or loss	22.2	-	1,444,421,355,000
Long-term customers' deposits		163,059,580,945	111,020,772,301
Long-term deferred revenues		67,497,009,212	1,550,227,625
Deferred tax liabilities		3,091,492,323,945	2,807,402,294,143
Other long-term liabilities		2,279,602,325	2,212,972,774
Total non-current liabilities		11,787,497,947,568	14,370,141,975,753
CURRENT LIABILITIES			
Short-term loans	22.3	380,871,663,107	294,320,590,034
Trade payables		67,067,950,988	112,650,723,133
Deposits and downpayment from customers	18	7,569,795,364,116	3,116,008,534,397
Payables to related parties	23	248,830,030,051	13,026,250,295
Short-term deferred revenues		16,048,227,414	26,857,741,555
Accruals	19	4,406,487,098,014	534,305,618,165
Corporate income tax payable		137,631,092,460	691,783,423,055
Other current liabilities	20	2,521,178,529,365	451,050,906,836
		15,347,909,955,515	5,240,003,787,470
Total liabilities		27,135,407,903,083	19,610,145,763,223
Liabilities directly associated with assets classified as held for sale	4.2	469,487,663	5,634,922,291
TOTAL LIABILITIES AND EQUITY		44,276,037,722,580	36,355,800,144,673

Vincom Joint Stock Company

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2011

	Attributable to 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 2011	3,726,252,370,000	1,618,453,946,594	(1,323,946,322,845)	4,525,675,236	9,628,107,384,122	13,653,393,033,107	3,086,626,426,052	16,740,019,459,159	
Profit for the period	-	-	-	-	441,924,735,997	441,924,735,997	85,585,465,983	527,510,201,980	
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	
Total comprehensive income	-	-	-	-	441,924,735,997	441,924,735,997	85,585,465,983	527,510,201,980	
Shares issued during the period	185,246,560,000	1,799,161,183,750	-	-	-	1,984,407,743,750	-	1,984,407,743,750	
Dividend declared	-	-	-	-	(2,217,313,051,653)	(2,217,313,051,653)	-	(2,217,313,051,653)	
Capital contribution from non-controlling interest	-	-	-	-	-	-	624,648,402,843	624,648,402,843	
Reduction in treasury shares held by associate	-	-	41,106,992,844	-	-	41,106,992,844	-	41,106,992,844	
Change in equity interest without loss of control	-	-	-	-	(249,476,348,332)	(249,476,348,332)	-	(249,476,348,332)	
Transferred to other reserves	-	-	-	6,845,114,927	(6,845,114,927)	-	-	-	
Acquisition of non- controlling interest	-	-	-	-	-	-	(112,523,651,672)	(112,523,651,672)	
Disposal of subsidiary	-	-	-	(3,525,675,230)	-	(3,525,675,230)	(194,693,741,855)	(198,219,417,085)	
At 30 June 2011 (unaudited)	3,911,498,930,000	3,417,615,130,344	(1,282,839,330,001)	7,845,114,933	7,596,397,585,207	13,650,517,430,483	3,489,642,901,351	17,140,160,331,834	

Vincom Joint Stock Company

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued) for the six months ended 30 June 2010

	Attributable to equity holders of the parent						Non-controlling Interest	Total equity
	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total		
	VND	VND	VND	VND	VND	VND	VND	
As at 1 January 2010	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 period	-	-	-	-	1,797,871,099,723	1,797,871,099,723	92,640,427,501	1,890,511,527,224
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,797,871,099,723	1,797,871,099,723	92,640,427,501	1,890,511,527,224
Shares issued during the period	1,609,194,220,000	34,174,846,250	-	-	-	1,643,369,066,250	-	1,643,369,066,250
Dividend declared	-	-	-	-	(1,199,747,240,000)	(1,199,747,240,000)	(20,472,000,000)	(1,220,219,240,000)
Capital contribution by non-controlling interest	-	-	-	-	-	-	346,028,823,556	346,028,823,556
Treasury shares held by associates	-	-	(258,993,455,898)	-	-	(258,993,455,898)	-	(258,993,455,898)
Re-issuance of treasury shares	-	-	816,764,400,000	-	-	816,764,400,000	-	816,764,400,000
Change in equity interest without loss of control	-	-	-	-	27,280,586,609	27,280,586,609	-	27,280,586,609
Acquisition of subsidiary	-	-	-	-	-	-	174,924,132,906	174,924,132,906
Disposal of subsidiary	-	-	-	-	-	-	(225,972,325,293)	(225,972,325,293)
Other	-	-	-	-	-	-	(74,806,800,153)	(74,806,800,153)
At 30 June 2010 (unaudited)	3,605,466,600,000	807,529,436,250	(1,340,393,789,611)	3,525,675,236	6,720,145,196,319	9,796,273,118,194	1,924,072,594,918	11,720,345,713,112

Vincom Joint Stock Company

INTERIM CONSOLIDATED CASH FLOW STATEMENT for the six months ended 30 June 2011

		<i>For the six months ended 30 June</i>	
		<i>2011</i>	<i>2010</i>
		<i>Unaudited</i>	
	<i>Notes</i>	<i>VND</i>	<i>VND</i>
OPERATING ACTIVITIES			
Profit before tax from continuing operations		1,066,634,530,515	2,498,454,109,227
Profit before tax from discontinued operations	4	5,710,503,295	14,428,267,768
Profit before tax		1,072,345,033,810	2,512,882,376,995
<i>Adjustment to reconcile profit before tax to net cash flows</i>			
Non-cash:			
Depreciation and amortisation		15,433,786,761	15,802,819,622
Unrealised foreign exchange loss (gain)		14,573,890,147	(2,354,389,672)
Loss/(profit) on disposal of property, plant and equipment		4,745,316,859	(1,993,381,955)
Provision for net realisable value of inventories		22,846,361,096	-
(Gain) loss on disposal of subsidiary/associate companies		(187,384,044,195)	70,468,499,738
(Increase)/decrease in amortized cost of loans and receivables		(2,813,355,797)	12,824,377,000
Loss on financial liabilities designated as at fair value through profit or loss	22.2	541,697,052,600	80,443,251,688
Decrease/(increase) in amortized cost of payables		15,780,319,663	(18,286,789,408)
Increase in fair value of investment property and investment property under construction	8, 9	(757,946,393,315)	(2,347,689,392,348)
Interest and dividend income	7.1	(369,299,233,272)	(256,570,925,872)
Interest expense	7.2	384,923,121,959	282,704,163,302
Share of net (profit)/loss of associates		(212,561,261,306)	13,398,414,687
Changes in fair value of held for trading investments	7.1, 7.2	(260,655,650,400)	(123,134,151,409)
Working capital adjustments:			
Decrease (increase) in trade and other receivables		505,999,793,462	(437,583,926,527)
(Increase) decrease in inventories		(2,484,653,004,394)	13,789,668,767
Interest paid			
Increase/(decrease) in trade and other payables		4,841,114,533,300	(122,567,025,120)
Increase in prepayments		(184,688,397,671)	(28,184,878,094)
Other cash inflows from operating activities		(34,310,220,339)	(5,795,440,871)
Corporate income tax paid		(755,478,455,227)	(34,122,257,572)
Net cash flows from/(used in) operating activities		2,169,669,193,741	(375,968,987,049)

Vincom Joint Stock Company

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued) for the six months ended 30 June 2011

	<i>For the six months ended 30 June</i>	
	<i>2011</i>	<i>2010</i>
	<i>Unaudited</i>	
Notes	VND	VND
INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	57,287,524,791	66,016,515,959
Purchase of property and equipment	(1,228,690,781,041)	(2,348,342,862,301)
Payment for equity investment in other entities	(316,342,800,000)	(157,384,415,397)
Short-term deposits for interest gain	(903,825,000,000)	(600,000,000,000)
Redemption of short-term deposit for interest gain	10,000,000,000	1,050,000,000,000
Acquisition of subsidiaries, net of cash acquired	-	(304,750,154,589)
Disbursement of loans to related parties and others	(52,000,000,000)	(670,627,846,772)
Collection of loans to related parties and others	506,009,943,518	739,215,150,810
Net inflow from sale of a subsidiary, net of cash disposed	76,084,909,997	420,397,979,087
Proceeds from disposals of equity investments in other entities	482,140,360,991	-
Interest received	174,841,568,199	290,803,615,247
Net cash flows used in investing activities	(1,194,494,273,545)	(1,514,672,017,956)
FINANCING ACTIVITIES		
Capital contribution from non-controlling interest	161,057,652,842	346,028,823,556
Proceeds from issuance of ordinary shares	-	377,217,354,500
Proceeds from borrowings	525,120,000,000	1,998,322,529,982
Repayment of borrowings	(2,016,770,604,070)	(764,903,988,640)
Acquisition of additional shares in existing subsidiary	(215,000,000,000)	-
Interest paid	(721,053,641,909)	(579,827,065,003)
Net cash flows (used in)/from financing activities	(2,266,646,593,137)	1,376,837,654,395
Net decrease in cash and cash equivalents	(1,291,471,672,941)	(513,803,350,610)
Cash and cash equivalents at the beginning of the period	1,482,546,869,005	1,453,040,525,340
Impact of exchange rate fluctuation	-	(26,101,197,409)
Cash and cash equivalents at the end of the period	191,075,196,064	913,135,977,321

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2011 and for the six months then ended

1. CORPORATE INFORMATION

Vincom Joint Stock Company is a joint stock enterprise established in Vietnam in accordance with Business Registration Certificate No. 0103001016 issued by Hanoi's Department of Planning and Investment on 3 May 2002 and the revised Business Registration Certificate No. 0101245486 on 12 May 2010. The Company has also received subsequent amended Business Registration Certificates with the latest being the 37th amended Business Registration Certificate dated 10 June 2011.

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

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

The Company's head office is located at No. 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, Hochiminh city, Vietnam.

Board of Management

The members of the Board of Management during the period 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	Resigned on 26 February 2011
Roy Chung Yee Ling	Member	Appointed on 26 February 2011

The Company has the following subsidiaries:

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

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

PFV's principal business activities are to construct and provide retail outlets, commercial offices for lease and high-end apartment units for sale. As at 30 June 2011, the Company holds 74.41% voting rights in this subsidiary.

Vincom Securities Joint Stock Company ("VSC")

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

VSC's principal business activities are to provide brokerage services, proprietary trading of securities, underwriting and investment advisory services. VSC's head office is at No. 72 Le Thanh Ton street, Ben Nghe ward, district 1, Hochiminh city, Vietnam. As at 31 December 2010, the Company holds 75% voting rights in this subsidiary.

The Group has fully disposed its equity interest in VSC in March 2011.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

1. CORPORATE INFORMATION (continued)

Hai Phong Land Development and Investment Joint Stock Company ("Hai Phong Land")

Hai Phong Land is a joint stock company established in accordance with Business Registration Certificate 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 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 No. 4 Le Thanh Tong street, May To ward, Ngo Quyen district, Hai Phong city, Vietnam for the development of an office and apartment building complex. As at 30 June 2011, the Company directly and indirectly holds 90% voting rights in this subsidiary.

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

Royal City is a joint stock company established in accordance with Business Registration Certificate 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 No. 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 Registration Certificate. As at 30 June 2011, 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. The registered office address of this company is at No. 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam.

Sai Dong's principal business activities are to trade real estate properties, construct buildings and perform civil works, provide hospitality and entertainment services and conduct other businesses as stipulated in its Business Registration Certificate. As at 30 June 2011, the Company holds 61% voting rights in this subsidiary.

Viettronics Land Company Limited ("Viettronics Land")

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

Viettronics Land's 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 30 June 2011, the Company holds 84% voting rights in this subsidiary.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

1. CORPORATE INFORMATION (continued)

Hanoi Southern City Development JSC ("Hanoi South")

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

Hanoi South's principal activities are to trade real estate properties, construct buildings, airport, seaport, highway, provide hospitality, entertainment services and conduct other businesses as stipulated in its Business Registration Certificate. As at 30 June 2011, the Company holds 51.95% voting rights in this subsidiary.

Xavinco Land Joint Stock Company ("Xavinco")

Xavinco is a joint stock company established in accordance with Business Registration Certificate No. 0104644263 issued by Hanoi Department of Planning and Investment on 11 May 2010, with a registered chartered capital of VND 60 billion. The registered office address of this company is at No. 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam.

Xavinco's principal business activities are to trade real estate properties, construct buildings and perform civil works, and provide hospitality, entertainment, sauna, massage and advertising services. On 27 June 2011, the Group has disposed 56% equity interest in Xavinco, and thereby, reducing its ownership interest in this company to 1%.

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

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

Ho Tay's 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 30 June 2011, the Company holds 70% voting rights in this subsidiary.

As at 30 June 2011, the Company also has investments in associates as presented in Note 6.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2011 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010.

The consolidated financial statements are presented in Vietnam dong ("VND").

New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except for the adoption of new standards and interpretations as of 1 January 2011, noted below:

▶ IAS 24 *Related Party Transactions* (Amendment)

The IASB has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

▶ IAS 32 *Financial Instruments: Presentation* (Amendment)

The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group.

▶ IFRIC 14 *Prepayments of a Minimum Funding Requirement* (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as pension asset. The Group is not subject to minimum funding requirement in Vietnam. The amendment to the interpretation therefore had no effect on the financial position or performance of the Group.

▶ Improvements to IFRSs (issued in May 2010)

In May 2010, the IASB issued its third 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.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

- ▶ IFRS 3 *Business Combinations*: The measurement options available for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.
- ▶ IFRS 7 *Financial Instruments: Disclosures*: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- ▶ IAS 1 *Presentation of Financial Statements*: The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements.
- ▶ IAS 34 *Interim Financial Statements*: The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements.

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:

- ▶ IFRS 3 *Business Combinations* – Clarification that contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008) are accounted for in accordance with IFRS 3 (2005).
- ▶ IFRS 3 *Business Combinations* – Unreplaced and voluntarily replaced share-based payment awards and its accounting treatment within a business combination.
- ▶ IAS 27 *Consolidated and Separate Financial Statements* – applying the IAS 27 (as revised in 2008) transition requirements to consequentially amended standards.
- ▶ IFRIC 13 *Customer Loyalty Programmes* – in determining the fair value of award credits, an entity shall consider discounts and incentives that would otherwise be offered to customers not participating in the loyalty programme.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SEASONALITY OF OPERATIONS

Due to the nature of real estate business, revenue from rental income is expected to be stable throughout the year except where the Group introduces new rental properties to the market. On the other hand, revenue from sale of residential properties is dependent on the completion of the Group's residential properties projects and on the market conditions at the time these projects are on offering.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

4. DISCONTINUED OPERATION

4.1. Vincom Securities Joint Stock Company

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.

On 30 March 2011, the Group completed the sale of VSC for VND254,812,000,000 in cash, creating a pre-tax gain of VND7,986,900,340. The results of VSC are as follows:

	<i>For three months ended 31 March 2011</i>	<i>For the six months ended 30 June 2010</i>
	<i>VND</i>	<i>VND</i>
Revenue	888,471,145	31,373,000,184
Cost of sales	<u>(1,250,511,634)</u>	<u>(11,846,757,885)</u>
Gross profit	(362,040,489)	19,526,242,299
Other operating income	5,199,913,612	2,070,000
Administrative expenses	(3,488,515,443)	(5,091,203,292)
Other operating expenses	<u>(4,767,177,335)</u>	<u>-</u>
Operating profit	(3,417,819,655)	14,437,109,007
Finance costs	-	-
Finance income	<u>-</u>	<u>-</u>
(Loss)/profit before tax from discontinued operations	(3,417,819,655)	14,437,109,007
Income tax expense (Note 5)	-	(2,115,397,865)
Deferred tax credit	<u>-</u>	<u>-</u>
(Loss)/profit for the period from discontinued operations	(3,417,819,655)	12,321,711,142
Gain on disposal of the discontinued operation	7,986,900,340	
Attributable tax expense (Note 5)	<u>(7,078,000,000)</u>	<u>-</u>
(Loss)/profit for the period from a discontinued operations	(2,508,919,315)	12,321,711,142
Cash outflow on sale:	VND	
Consideration received	254,812,000,000	
Net cash disposed of with the discontinued operation	<u>(342,572,551,269)</u>	
Net cash outflow	(87,760,551,269)	

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

4. DISCONTINUED OPERATION (continued)

4.1. Vincom Securities Joint Stock Company (continued)

The net cash flows incurred by VSC are as follows:

	<i>For three months ended 31 March 2011</i>	<i>For the six months ended 30 June 2010</i>
	VND	VND
Operating	134,119,207,032	3,633,583,738
Investing	184,009,943,518	(123,080,100)
Net cash inflow	318,129,150,550	3,510,503,638
Earnings per share:		
Basic, from discontinued operation	(7)	36
Diluted, from discontinued operation	(7)	34

As VSC was sold on 30 March 2011, the assets and liabilities classified as part of a disposal group held for sale as at 31 December 2010 are no longer included in the statement of financial position.

4.2. Viettronics Land Company Limited

On 28 June 2011, the Company and Ecology Developing and Investment JSC ("Ecology"), an associate, have signed an in-principle agreement in which Ecology will sell 6.5% equity interest in Royal City, an existing subsidiary, to the Group and on the other hand, the Group will sell 83% equity interest in Viettronics Land Company Limited ("Viettronics Land") to Ecology. Subsequently, the acquisition an additional 6.5% equity interest in Royal City has been carried out on 7 July 2010 and the disposal of 83% equity interest in Viettronics Land has been carried out on 13 July 2011 and 20 July 2011. The Group, as a part of the strategy is focus on larger scale projects, and to focus the financial strengths to develop the existing major projects (Royal City, Times City, Vincom Village and Vincom Centre A Hochiminh City) has decided to transfer Viettronics Land, which is a smaller size project.

The results of Viettronics Land for the years are presented below:

	<i>For the six months ended 30 June 2011</i>	<i>For the six months ended 30 June 2010</i>
	VND	VND
Administrative expenses	(111,762,254)	(9,160,847)
Operating profit	(111,762,254)	(9,160,847)
Finance income	1,253,184,864	319,608
Profit (loss) before tax from discontinued operations	1,141,422,610	(8,841,239)
Income tax expense	(537,317,485)	-
Profit/(loss) for the period from discontinued operations	604,105,125	(8,841,239)

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

4. DISCONTINUED OPERATION (continued)

4.2. Viettronics Land Company Limited (continued)

The major classes of assets and liabilities of Viettronics Land classified as held for sale as at 30 June 2011 are as follows:

	<i>30 June 2011</i>
	<i>VND</i>
Assets	
Construction in progress	138,250,000,000
Advances to suppliers	3,110,700,000
Short-term prepayment and other receivables	703,377,727
Short-term investments	90,000,000,000
Cash and cash equivalents	<u>616,094,211</u>
Assets classified as held for sale	232,680,171,938
Liabilities	
Current tax liabilities	(457,217,163)
Other current liabilities	<u>(12,270,500)</u>
Liabilities directly associated with assets classified as held for sale	<u>(469,487,663)</u>
Net assets directly associated with disposal group	<u>232,210,684,275</u>

The net cash flows incurred by Viettronics are as follows:

	<i>For the six months ended 30 June</i>	
	<u>2011</u>	<u>2010</u>
	<i>VND</i>	<i>VND</i>
Operating	(80,139,673)	(2,673,141,040)
Investing	(158,400,000,000)	(250,000,000)
Financing	<u>148,950,000,000</u>	<u>2,940,000,000</u>
Net cash (outflow)/inflow	<u>(9,530,139,673)</u>	<u>16,858,960</u>
Earnings per share:		
Basic, profit/(loss) for the year, from discontinued operation	2	-
Diluted, profit/(loss) for the year, from discontinued operation	2	-

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

5. INCOME TAX

The corporate income tax rate applicable for the Company and its subsidiaries is 25%.

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As application of tax laws and regulations is susceptible to varying interpretations, the reported tax position could be changed at a later date upon final assessment by the tax authorities

The major components of income tax expense in the interim consolidated income statement are:

	<i>For the six months ended 30 June</i>	
	<i>2011</i>	<i>2010</i>
	<i>VND</i>	<i>VND</i>
Continuing operation		
Current corporate income tax charge	132,894,016,327	43,138,680,866
Deferred corporate income tax charge	404,325,498,018	577,116,771,040
	537,219,514,345	620,255,451,906
Discontinued operation (Note 4)		
Current corporate income tax	(7,615,317,485)	2,115,397,865
	(7,615,317,485)	2,115,397,865

6. INVESTMENT IN ASSOCIATES

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

	<i>30 June 2011</i>	<i>31 December 2010</i>
	<i>VND</i>	<i>VND</i>
Vietnam Tourism JSC in Hochiminh city	39,268,800,778	39,986,952,728
Vinpearl Hoi An JSC	-	113,317,225,994
Foreign Trade Concrete JSC	12,927,368,489	12,174,457,006
Thang Long Real Estate Trading Investment JSC	18,129,845,833	17,981,328,271
Ecology Developing and Investment JSC	2,125,446,807,173	2,120,811,647,431
Green City Development JSC	811,080,390,108	485,375,621,818
	3,006,853,212,381	2,789,647,233,248

On 17 March 2011, the Group has disposed its entire equity interest in Vinpearl Hoi An JSC to Vinpearl JSC ("Vinpearl") through a share swap, where the Group received 2,779,922 Vinpearl shares. Vinpearl is a company listed in the Hochiminh city Stock Exchange.

On 17 June 2011, the Group has acquired an additional 20% equity interest in Green City Development JSC with a consideration of VND 300 billion to increase its equity interest this associate to 44%.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

7. OTHER INCOME/EXPENSES

7.1 Finance income

	<i>For the six months ended 30 June</i>	
	<i>2011</i>	<i>2010</i>
	<i>VND</i>	<i>VND</i>
Interest and dividend income	369,299,233,272	256,570,925,872
Change in fair value of held for trading securities	263,946,410,400	125,905,130,872
Changes in amortised cost of loans/receivables and fair value of financial assets	1,566,652,188	25,879,661,497
Other finance income	10,889,225,532	51,020,672,698
Total finance income	645,701,521,392	459,376,390,939

7.2 Finance costs

	<i>For the six months ended 30 June</i>	
	<i>2011</i>	<i>2010</i>
	<i>VND</i>	<i>VND</i>
Interest on debts and borrowings	384,923,121,959	282,704,163,302
Change in fair value of held for trading securities	3,290,760,000	2,770,979,463
Change in amortised costs of loans and receivables	26,794,464,062	20,537,536,027
Other finance costs	39,650,232,550	44,931,522,035
Total finance costs	454,658,578,571	350,944,200,827

8. COMPLETED INVESTMENT PROPERTY

	<i>2011</i>	<i>2010</i>
	<i>VND</i>	<i>VND</i>
Balance at 1 January	13,662,268,342,043	2,675,360,000,000
Capital expenditure	25,354,087,939	1,036,042,472
Transferred from investment property under construction	-	3,624,907,323,902
Adjustment to fair value	(12,323,717,430)	1,703,683,047,149
Balance at 30 June	13,675,298,712,552	8,004,986,413,523
Market value as estimated by external valuer	13,675,298,712,552	8,004,986,413,523

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"). 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.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

9. INVESTMENT PROPERTIES UNDER CONSTRUCTION

	2011 VND	2010 VND
Balance at 1 January	3,126,772,625,242	7,496,456,217,883
Capital expenditure	1,943,353,004,181	1,361,749,346,194
Transferred from construction in progress	193,584,857,978	519,911,146,028
Transferred to construction in progress	(87,324,092,440)	(255,114,220,319)
Transferred to inventory (Note 12)	(629,725,933,832)	(230,747,964,462)
Transferred to completed investment properties	-	(3,624,907,323,902)
Transferred to property, plant and equipment	-	(12,448,837,703)
Adjustment to fair value	770,270,110,745	644,006,345,199
Balance at 30 June	<u>5,316,930,571,874</u>	<u>5,898,904,708,918</u>
In which		
<i>Investment properties under construction carried at fair value</i>	5,316,930,571,874	4,837,498,313,087
<i>Investment properties under construction carried at cost</i>	-	1,061,406,395,831

The fair value of investment properties 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"). 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.

10. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

Acquisitions

During the six months ended 30 June 2011, the Group acquired assets with a cost of VND36,846,230,525 (2010: VND34,575,534,418) mainly including machineries and equipments and office equipments.

The net reduction in construction in progress incurred during the six months ended 30 June 2011 is VND1,119,790,576,372 (2010: net addition of VND418,830,853,986), which are mainly the cost of Vincom Village project being transferred to investment properties under construction of VND193,584,857,978 and the cost of Vincom Village project being transferred to inventory of VND1,037,204,735,153 .

The amount of borrowing costs capitalised for construction in progress during the six months ended 30 June 2011 was approximately VND54,689,254,605 (2010: VND29,229,002,300). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 15.71% per annum (2010: VND12.4% per annum).

Transfer to inventories

During the first six months of the year 2011, a retail area at Vincom Center value of VND75,236,784,412 was transferred to inventory upon the change of its intended use. This retail area was subsequently sold in March and April 2011 (see also Note 12).

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

10. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS (continued)

Transfer to investment properties under construction

During the first six months of the year 2011, part of the cost of Times City, Royal City, Vincom Village project of total VND193,584,857,978 was transferred to investment properties under construction upon the change of its intended use (see also Note 9).

Disposals

Assets (other than those classified as discontinued operations) with a net book value of VND29,850,553,861 were disposed of by the Group during the six months ended 30 June 2011 (2010: VND5,051,978,796), resulting in a net loss on disposal of VND4,745,316,859 (2010: net gain of VND1,993,381,955).

11. OTHER NON-CURRENT FINANCIAL ASSETS

During the six months ended 30 June 2011, the Group has placed a deposit of VND200,000,000,000 with Ecology Developing and Investment JSC, an associate, for acquisition of additional equity interest in Royal City. The Group also reclassified and amount of VND123,133,684,351, which is the current portion of long-term loans to Thai Kieu Company Limited, Mai Son JSC and Global Link Company Limited, to short-term investments.

12. INVENTORIES

The inventory increases during the six months period ended 30 June 2011 comprise of costs directly incurred for the construction of residential apartments for sale of projects being developed by the Group and other allocated overhead costs, such as costs of site preparation, capitalised borrowing costs, planning and design costs, construction overheads and other related costs. A summary of movement in inventory is set out below:

	2011 VND	2010 VND
At 1 January	2,264,169,759,164	900,649,688,200
Transfer from construction in progress	1,037,204,735,153	371,039,903,257
Construction costs incurred	5,246,966,454,003	320,346,047,494
Interest capitalised	260,202,626,304	89,406,839,277
Transfer from tangible assets (Note 10)	75,236,784,412	-
Transfer from investment properties under construction (Note 9)	629,725,933,832	230,747,964,462
Costs of inventories recognised as an expense	(124,761,347,175)	(16,765,921,958)
Provision for net realisable value of inventories (recognised in cost of sales)	(24,818,421,807)	-
At 30 June	<u>9,363,926,523,886</u>	<u>1,895,424,520,732</u>

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

13. TRADE RECEIVABLES

	30 June 2011 VND	31 December 2010 VND
Trade receivables	<u>1,003,707,616,130</u>	<u>2,486,068,069,691</u>
	<u>1,003,707,616,130</u>	<u>2,486,068,069,691</u>

Trade receivables as at 30 June 2011 mainly include receivables from customers who purchased apartments at Vincom Center B Hochiminh city in 2010 and receivable from the sale of a retail area in March and April 2011 to a corporate customer at the price of VND286,303,010,400, of which a balance of VND229,042,408,320 was still outstanding as at 30 June 2011.

As at 30 June 2011, there was an amount of VND322,875,317,465 of trade receivables and VND20,269,097,550 of receivables from related parties (Note 23) which relate to the sale of apartments at Vincom Center B Hochiminh City and from retail tenants that has been overdue. The Group has not created any provision for impairment for these overdue trade receivables.

14. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments represent investment in listed shares held by the Group as at 30 June 2011. The increase in held-for-trading investments was mainly derived from increase in the number of listed securities held by the Group and the upward change in fair value of these listed shares.

15. SHORT-TERM PREPAYMENT AND OTHER RECEIVABLES

	30 June 2011 VND	31 December 2010 VND
Valued added tax deductibles	67,486,696,552	42,662,755,834
Receivables from disposal of shares in subsidiaries, associates and other investments	255,200,000,000	83,000,000,000
Receivables from assets disposal to World Game	30,631,376,683	-
Short-term prepayment expenses	37,411,985,892	19,242,450,164
Interest receivable from term deposit and loans to others	356,351,304,765	278,312,742,765
Other receivables	<u>835,210,012,281</u>	<u>3,932,117,771</u>
	<u>1,582,291,376,173</u>	<u>427,150,066,534</u>

Other receivables mainly include an amount of VND 827,291,430,676 due from PCM Joint Stock Company ("PCM"). This is an amount previously advanced to PCM relating to the development of the Royal City project, and is now collectible from PCM since the contract with PCM has been liquidated in April 2011.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

16. SHORT-TERM INVESTMENTS

	30 June 2011 VND	31 December 2010 VND
Loans to others	1,278,726,276,229	1,233,212,956,859
Short-term deposits	<u>2,403,825,000,000</u>	<u>1,600,000,000,000</u>
	<u>3,682,551,276,229</u>	<u>2,833,212,956,859</u>

Loans to others generate interest income at rates from 12.6% to 18% per annum and are secured by securities investments held by the borrowers. These loans have terms ranging from 3 to 12 months.

Increase in short-term deposits represents term deposits placed at banks and financial institutions with interest rates of 14% and 15% per annum with a term of 6 to 12 months.

17. CASH AND CASH EQUIVALENTS

	30 June 2011 VND	31 December 2010 VND
Cash on hand	763,155,434	7,545,884,866
Cash in banks	57,097,576,630	781,675,984,139
Short-term deposits	<u>133,214,464,000</u>	<u>693,325,000,000</u>
	<u>191,075,196,064</u>	<u>1,482,546,869,005</u>

Short-term deposits have term from 1 week to 1 month and bearing an interest rate of 14% per annum for Vietnam dong (2010: 14% to 14.7% per annum for Vietnam dong).

Included in cash balance at 30 June 2011 is VND32,515,170,900 held in the Group's bank account in trust for the apartment tenants. Such amount shall be remitted to the Property management board set up by the apartment tenants at Vincom Center Hanoi - Tower C once it is formed.

18. DEPOSITS AND DOWNPAYMENT FROM CUSTOMERS

Increase in deposit and downpayment is the additional cash inflow received from customers for future sale of apartments at Times City and Royal City, two projects developed by Hanoi South and Royal City, respectively; and the deposit from secondary investors for future development of residential villas at Vincom Village project.

19. ACCRUALS

	30 June 2011 VND	31 December 2010 VND
Accrued loan and bond interests	333,286,806,614	370,150,759,148
Accrual for construction costs	4,062,724,817,502	135,053,651,234
Other accrued expenses	<u>10,475,473,898</u>	<u>29,101,207,783</u>
	<u>4,406,487,098,014</u>	<u>534,305,618,165</u>

Accruals for construction cost were mainly costs of on-going real estate projects developed by the Group i.e. Times City, Royal City and Vincom Village.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

20. OTHER CURRENT LIABILITIES

Other current liabilities mainly include the dividend payable to shareholders which was declared in accordance with the Annual General Shareholder Meeting minutes dated 26 February 2011. Such dividend has been fully paid out in August 2011.

21. ISSUED CAPITAL AND RESERVES

21.1 Issued capital

Authorised shares

	30 June 2011 VND	31 December 2010 VND
Ordinary share of VND10,000 each	3,911,498,930,000	3,726,252,370,000
	<u>3,911,498,930,000</u>	<u>3,726,252,370,000</u>

Number of ordinary shares issued and fully paid

	2011	2010
At 1 January	372,625,237	199,627,238
New shares issued	<u>18,524,656</u>	<u>160,919,422</u>
At 30 June	<u>391,149,893</u>	<u>360,546,660</u>

21.2 Share premium

As described in Note 22.2, the increase in share premium mainly arises from the conversion of the USD 6% convertible bonds during the period.

21.3 Treasury shares

As disclosed in Note 6, on 17 March 2011, the Group has completed the disposal of Vinpearl Hoi An Joint Stock Company, an associate. Such disposal resulted in a reduction in treasury shares held by this associate of VND 41,106,992,844.

21.4 Dividend

In accordance with the Annual General Shareholder Meeting minute dated 26 February 2011, the General Shareholder has approved the dividend declaration of VND 2,300,000,000,000 from the profit of the year ended 31 December 2010. This dividend was paid out in August 2011.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

22. INTEREST-BEARING LOANS AND BORROWINGS

22.1 Interest-bearing loans and borrowings

During the six months ended 30 June 2011, movements in interest-bearing loans and borrowings mainly include the followings:

- ▶ accrued loan interest of VND85,660,799,570 was added to the outstanding loan balance under the credit facility with Bank for Investment and Development of Vietnam – Quang Trung Branch;
- ▶ a reclassification of VND197,917,573,073 of the credit facility with Bank for Investment and Development of Vietnam – Quang Trung Branch to current portion (Note 22.3);
- ▶ an additional drawdown of VND485,000,000,000 under the long-term loan agreement with Ecology Developing and Investment Joint Stock Company. The loan agreement has a period of 36 months and bears interest rate of 16.78% per annum for the first year and average of 12-month time deposit as noticed by Vietnam Bank for Industry and Trade plus 5.78% per annum for the following years. This loan facility has been partially settled with total amount of VND1,341,712,604,071.
- ▶ a repayment of VND583,000,000,000 was made in relation to the loan with Vinpearl Joint Stock Company.

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

This represents the USD 6% convertible bonds (“the Bonds”) issued by the Group in December 2009. During the period from 1 January 2011 to 1 June 2011, the Bondholders have converted USD59,200,000 bonds to 18,524,656 ordinary shares of the Company. The remaining principal balance of USD100,000 has also been redeemed by the Company on 6 June 2011.

Net loss in the fair value of the Bonds charged to the interim consolidated income statement for the six months ended 30 June 2011 was VND541,697,052,600 (2010: VND80,443,251,688).

22.3 Short-term loans

Movement in short-term loans during the first six months of 2011 mainly include the followings:

- ▶ Reclassification of the current portion of long-term loan of VND197,917,573,073 from Bank for Investment and Development of Vietnam (Note 22.1) of which VND90,000,000,000 has been settled.
- ▶ De-recognition of a short-term loan of VND49,363,500,000 following the disposal of Xavinco Land Joint Stock Company, a subsidiary, in June 2011.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS

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

	<i>% voting rights</i>	
	<i>30 June 2011</i>	<i>31 December 2010</i>
PFV Investment and Trading JSC	74.41	74.41
Vincom Securities JSC	-	75
Hai Phong Land Development and Investment JSC	90	90
Royal City Real Estate Development & Investment JSC	51.98	51.98
Sai Dong Urban Development & Investment JSC	61	51
Vietronics Land Company Limited	84	64
Hanoi Southern City Development JSC	51.95	51.95
Xavinco Land JSC	1	57
Ho Tay Real Estate Development and Investment JSC	70	70

Significant transactions with related parties during the six months ended 30 June 2011 and 30 June 2010 were as follows:

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS (continued)

For the six months ended 30 June 2011

Related parties	Relationship	Sales to related parties	Purchases from related parties	Purchases from related parties (share transfer)	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
		VND	VND	VND	VND	VND	VND	VND
Vietnam Investment Group JSC	Common owners	-	-	-	(90,000,000,000)	-	-	-
Ecology Developing and Investment JSC	Associate	-	-	-	(101,000,000,000)	-	(435,600,000,000)	200,000,000,000
Foreign Trade Concrete JSC	Associate	-	(19,929,085,000)	-	-	19,697,437,000	-	-
Vinpearl JSC	Common owners	-	-	(477,915,008,000)	-	477,915,008,000	-	-
Hanoi Electronics Corporation	Major shareholder of Sai Dong	-	-	(212,000,000,000)	-	212,000,000,000	-	-
Green City Development JSC	Associate	-	-	-	-	-	-	10,000,000,000
Vincharm Service and Development JSC.	Common owners	13,585,463,455	-	-	-	-	-	-
Hanoi Soap JSC	Major shareholder of Xavinco	-	-	-	-	-	-	86,083,333,333

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS (continued)

For the six months ended 30 June 2011 (continued)

Related parties	Relationship	Other receipts from/payables to related parties	Borrowings from related parties	Repayment of borrowing to related parties	Loan principal repayment from related parties	Interest receivable from related parties	Interest payable to related parties	Interest paid to related parties	Dividend receivables from related parties
		VND	VND	VND	VND	VND	VND	VND	VND
Vietnam Tourism JSC in Hochiminh city	Associate	(376,569,041,710)	-	-	-	-	-	-	-
Ecology Developing and Investment JSC	Associate Common owners	-	(485,000,000,000)	1,341,712,604,071	-	-	(135,450,744,887)	135,787,395,929	179,922,902,494
Vinpearl JSC	Major shareholder of Sai Dong Green City	-	-	583,000,000,000	-	-	(137,001,666,500)	119,000,000,000	-
Hanoi Electronics Corporation	Associate Common owners	(220,000,000,000)	-	-	(212,000,000,000)	19,919,444,545	-	-	-
Development JSC Vinpearl Hoi An JSC	Associate Common owners	-	-	-	-	-	-	-	-
		-	-	-	-	19,258,400,000	-	-	-

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS (continue)

For the six months ended 30 June 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		Withdrawal of capital from related parties	
		VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Vietnam Tourism JSC in Hochiminh city	Associate	-	-	-	-	-	-	-	-	77,004,054,679	-	-	-
Ecology Developing and Investment JSC	Associate	-	-	-	-	-	-	-	-	(95,000,000,000)	-	-	-
Vinpearl JSC	Common owners	67,245,044,000	-	-	(67,245,044,000)	-	-	-	-	(14,700,000,000)	-	-	-
Hanoi Electronics Corporation	Major shareholder of Sai Dong	-	-	-	-	-	-	-	-	(150,000,000,000)	-	-	-
Ngoc Viet Real Estate JSC	Associate	-	-	-	-	-	-	-	-	130,000,000,000	-	-	-
Key members of management		-	-	-	(36,069,054,237)	-	-	-	-	-	-	(171,674,300,000)	-
Family members of management		-	(100,000,000,000)	-	(55,965,059,953)	-	100,000,000,000	-	-	-	-	-	-

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS (continue)

For the six months ended 30 June 2010 (continued)

Related parties	Relationship	Other	Other receipts/payables	Loans to related	Borrowings from	Principal repayment to	Principal repayment
		payments/receivables to related parties	from related parties	parties	related parties	related parties	from related parties
		VND	VND	VND	VND	VND	VND
Ecology Developing and Investment JSC	Associate	-	-	95,000,000,000	-	-	-
Vinpearl Hoi An JSC	Associate	-	-	35,000,000,000	-	-	(29,200,000,000)
Vinchaim Service and Development JSC.	Common owners	-	-	200,000,000,000	-	-	(200,000,000,000)
Key members of management		-	-	-	(330,000,000,000)	330,000,000,000	(515,479,037,100)
Family members of management		-	-	-	-	-	(197,408,369,318)

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS (continued)

For the six months ended 30 June 2010 (continued)

Related parties	Relationship	Interest receivable	Interest payable to	Interest paid to	Interest received	Dividend receivables	Dividend received
		from related parties	related parties	related parties	from related parties	from related parties/Dividend paid to related parties	from related parties/Dividend payable to related parties
		VND	VND	VND	VND	VND	VND
Ecology Developing and Investment JSC	Associate	-	-	-	-	202,000,000,000	(16,000,000,000)
Vinpearl JSC	Common owners	-	(124,241,853,200)	158,000,000,000	-	-	-
Vinpearl Hoi An JSC	Common owners	14,989,513,900	-	-	-	-	-
Key members of management		28,036,572,655	-	-	(24,156,023,500)	56,459,000,000	-
Family members of management		29,666,945,300	-	-	-	-	-

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS (continue)

Amount due to and from related parties at 30 June 2011

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amount VND</i>
Receivables			
Ecology Developing and Investment JSC	Associate	Disposal of Vincharm shares (*)	89,000,000,000
		Dividend receivable	179,922,902,494
		Interest receivable	64,090,603,500
Vietnam Tourism JSC in Hochiminh city	Associate	Expense of Nguyen Cong Tru project	3,418,500,000
Vincharm Service and Development JSC	Common owners	Receivable from providing office rental	12,199,899,581
Vinpearl Hoi An JSC	Common owners	Interest receivable	96,373,358,400
Vinpearl Danang JSC	Common owners	Cable purchase	286,226,600
Pham Khac Phuong	Board member of Royal	Purchase of Vincom Center apartment	20,269,097,550
Pham Thieu Hoa	Board member of Royal, Sai Dong and Ho Tay	Brokerage fee	200,470,314
Hanoi Electronics Corporation	Major shareholder of Sai Dong Land	Interest receivable	29,752,777,845
Vietnam Investment Group JSC	Common owners	Proceeds from sale of LIG (*)	223,200,000,000
			<u>718,713,836,284</u>
Short-term loans			
Vinpearl Hoi An JSC	Common owners		177,841,452,340
			35,798,989,543
Ecology Developing and Investment JSC	Associate		89,315,326,985
			<u>302,955,768,868</u>
			<u>1,021,669,605,152</u>
Long-term loans			
Hanoi Electronics Corporation	Major shareholder of Sai Dong Land		142,822,163,945
			<u>142,822,163,945</u>

(*) Receivables from Ecology Developing and Investment JSC and Vietnam Investment Group fell due on 14 November 2010 and 23 February 2011 respectively.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS (continue)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Outstanding balance (VND)</i>	<i>Interest rate per annum</i>	<i>Maturity date</i>	<i>Collateral</i>	<i>Interest receivable (VND)</i>
Short-term loans and interest receivables						
Vinpearl Hoi An JSC		177,841,452,340	18%	1 September 2011	21 million shares in Vietnam Investment Group JSC of Ms Pham Thu Huong	91,070,372,300
	Associate	35,798,989,543	18%	28 December 2011	None	5,302,986,100
Ecology Developing and Investment JSC	Associate	<u>89,315,326,985</u>	18%	19 August 2011	None	<u>64,090,603,500</u>
		<u>302,955,768,868</u>				<u>160,463,961,900</u>
Long-term loans and interest receivables						
Hanoi Electronics Corporation	Major shareholder of Sai Dong Land	<u>142,822,163,945</u>	10%	23 March 2015	None	<u>19,375,000,067</u>
		<u>142,822,163,945</u>				<u>19,375,000,067</u>

Details of payables to related parties are as following:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amounts VND</i>
Payables			
Green City JSC	Associate	Advance under Business Co-operation Contract with Sai Dong Land	210,000,000,000
Foreign Trade Concrete JSC	Associate	Purchase concrete payable	231,648,000
Ecology Developing and Investment JSC	Associate	Interest payable	256,028,958
Vinpearl JSC	Common owners	Interest payables	18,001,666,500
Key members of management		Deposit for purchasing Royal City apartment	150,000,000
		Downpayment for purchase of Times City apartments	3,454,996,400
		Downpayment for purchase of Royal City apartments	11,397,424,488
Family members of management		Downpayment for purchase of Royal City apartments	<u>5,338,265,705</u>
			<u>248,830,030,051</u>

As at 30 June 2011, Ecology Developing and Investment JSC, an associate, also holds corporate bonds, at a par value of VND 300 billion, issued by the Company. Such bonds were acquired by Ecology Developing and Investment JSC through the secondary bond market.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS (continue)

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 JSC in Hochiminh city	Associate	Proceeds from sale of Nguyen Cong Tru project	379,173,727,933
Ecology Developing and Investment JSC	Associate	Disposal of shares in Vincharm	190,000,000,000
		Interest	55,980,898,500
Vinpearl Hoi An JSC	Common owners	Interest	77,114,958,400
Vietnam Investment Group JSC	Common owners	Disposal of LIG shares	313,200,000,000
Hanoi Electronics Corporation	Shareholder	Interest	21,777,777,734
Pham Khac Phuong	Board member of Royal City	Purchase of Vincom Center apartment (Note 13)	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	Major shareholder of Sai Dong Land		<u>141,868,542,684</u>
			<u>141,868,542,684</u>

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 per annum</i>	<i>Maturity date</i>	<i>Collateral</i>	<i>Interest receivable (VND)</i>
Short-term loans and interest receivables						
					21 million shares in Vietnam Investment Group JSC of Ms Pham Thu Huong	
		177,258,559,433	15%	1 March 2011		74,979,472,300
Vinpearl Hoi An JSC	Common owners	34,769,358,203	11.5%	28 June 2011	None	2,135,486,100
Ecology Developing and Investment JSC	Associate	89,068,625,889	15%	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
						<u>499,655,767,022</u>
						<u>143,040,301,334</u>
Long-term loans and interest receivables						
Hanoi Electronics Corporation	Major shareholder of Sai Dong Land	141,868,542,684	10%	23 March 2015	None	11,833,333,300
						<u>141,868,542,684</u>
						<u>11,833,333,300</u>

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as at 30 June 2011 and for the six months then ended

23. RELATED PARTY TRANSACTIONS (continue)

Details of payables to related parties are as following:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amount</i>
			<i>VND</i>
Ecology Developing and Investment 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
			<u>13,026,250,295</u>

24. COMMITMENTS AND CONTINGENCIES

Capital commitments relating to investment activities

<i>No.</i>	<i>Name of investee</i>	<i>Investee's chartered capital</i>	<i>The Company's capital contribution commitment</i>		<i>Actual contributed capital</i>	<i>Committed contributed capital</i>
			<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>Amount</i>
		<i>VND</i>	<i>VND</i>		<i>VND</i>	<i>VND</i>
1	Royal City Development and Investment JSC	3,200,000,000,000	1,663,500,000,000	51.98	1,250,000,000,000	413,500,000,000
			<u>1,663,500,000,000</u>		<u>1,250,000,000,000</u>	<u>413,500,000,000</u>

Capital commitments relating to on-going real estate development projects

The Company has entered into a number of contracts relating to the development of the Eden project in Hochiminh city and the outstanding commitment on these contracts amounted to approximately VND963 billion as at 30 June 2011.

Hanoi South, a subsidiary, has entered into a number of contracts relating to the development of the Times City project at No. 460, Minh Khai street, Hai Ba Trung District, Hanoi and at No. 25, Lane 13, Linh Nam street, Hoang Mai District, Hanoi. The outstanding commitment on these contracts amounted to approximately VND10,035 billion as at 30 June 2011, in which there is a commitment to pay land use fees of VND 2,052 billion for the Times City land area before 30 November 2011 under the Official Letter No. 2371/STC-QLCS issued by the Hanoi Department of Finance on 9 June 2011.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

24. COMMITMENTS AND CONTINGENCIES (continued)

Capital commitments relating to on-going real estate development projects (continued)

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 VND3,402 billion as at 30 June 2011, in which there is a commitment to pay land use fees of VND 499 billion for the Royal City land area before 30 November 2011 under the Official Letter No. 2534/STC-QLCS issued by the Hanoi Department of Finance on 17 June 2011.

Sai Dong Urban Development and Investment JSC ("Sai Dong Land"), a subsidiary, has entered into a number of contracts relating to the development of the Vincom Village project at Phuc Loi, Phuc Dong and Gia Thuy wards, Long Bien District, Hanoi. The outstanding commitment on these contracts amounted to approximately VND6,806 billion as at 30 June 2011, in which there is a commitment to pay land use fees of VND 6,093 billion for the Vincom Village land area before 30 November 2011 under the Official Letter No. 2533/STC-QLCS issued by the Hanoi Department of Finance on 17 June 2011.

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 30 June 2011 are as follow:

	<i>30 June 2011</i>
	VND
Due within one year	936,962,635,446
Due in two to five years	1,713,268,391,862
Due in more than five years	332,153,880,028
	<u>2,982,384,907,336</u>

Commitment under operating leases where the Group is a lessee

The Group, as lessee, entered into a number of land lease contracts and the minimum lease payments under these agreements at 30 June 2011 are as follow:

	<i>30 June 2011</i>
	VND
Due within one year	16,835,156,619
Due in two to five years	67,340,626,478
Due in more than five years	747,522,640,720
	<u>831,698,423,817</u>

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.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

24. COMMITMENTS AND CONTINGENCIES (continued)

Other commitments (continued)

Commitments under Business Co-operation Contract with Hanel (continued)

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 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.

On 27 June 2011, the Group has transferred 56% equity interest in Xavinco Land JSC, a subsidiary, and thereby, reducing its equity interest in this company to 1%. According to the same transfer agreement, Sun City JSC, the acquirer, will take over this obligation thereof.

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 Times City project. As at 30 June 2011, the committed amount under this agreement is VND248.6 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 Times City project. As at 30 June 2011, the committed amount under this agreement is VND125.4 billion.

The Group also commits to hand over 3,000m² land site in the Times City project to Hanosimex.

Commitments under Business Co-operation Contract with Vinataba

In accordance with the Business Co-operation Contract dated 4 August 2008 between seven (7) parties, including Vincom Joint Stock Company, Vietnam National Tobacco Corporation ("Vinataba"), Thang Long Vinataba Limited Company ("Vinataba Thang Long"), Vinataba Trading & Investment Joint Stock Company ("Vinataba JSC"), Dream House Trading - Construction Corporation ("Dream house"), Vietnam Engineering & Construction Joint Stock Company ("Vinaenco") and An Binh Real Estate Development & Investment JSC ("An Binh"), the Company committed to transfer a deposit of VND 105 billion to develop a project at 235 Nguyen Trai Street, Thanh Xuan District, Hanoi. In addition, the Company also committed to compensate VND 105 billion to Vinataba and Vinataba Thang Long for site clearance, relocation and construction of new production facility. This committed amount will be converted to Vincom's equity interest in Thang Long Real Estate Trading Investment Joint Stock Company ("Thang Long"), a company established to develop of the real estate project at 235 Nguyen Trai Street, Thanh Xuan District, Hanoi. As at 30 June 2011, the committed amount under this agreement is VND192.5 billion.

Vincom Joint Stock Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2011 and for the six months then ended

24. COMMITMENTS AND CONTINGENCIES (continued)

Other commitments (continued)

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 30 June 2011, the committed amount under this agreement is VND88.7 billion.

Commitment with Vietinbank

On 10 May 2010, the Company and Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank") has signed an agreement to accept Vietinbank as the guarantee for the issuance of a VND 1,000 billion bond. According to which, the Company is under an obligation to submit the land use right certificate for the "Hotel – Office – Basement complex at Eden quadrangle" project as a pledge for the bond within nine months since issue date, 11 May 2010. Such deadline was then extended to 12 November 2011 by Vietinbank. If the Company can not meet this requirement, it is liable to a penalty equal to (=) the number of bonds actually issued multiplied with 50% current bond coupon rate and multiplied with the overdue period. The overdue period is determined as from the bond issue date to the date Vincom completes necessary procedures to submit the land use right certificate as pledge asset to an agency authorized by laws for management of collateral asset and to the underwriter.

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 Center Hanoi – Tower A to the Bank for Investment and Development of Vietnam ("BIDV"). In accordance with the Transfer Agreement, the Company has also committed to transfer the ownership of the following investment properties to BIDV on 20 July 2052:

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

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

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

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

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

- ▶ the banks will lend the customers to finance for the purchase of the apartments at Royal City;
- ▶ Royal City will support the customers by paying on behalf of the customers interest to the bank, at the rate ranging from 7% to 10% per annum during a period of 18 to 24 months after the loan agreement date;

Vincom Joint Stock Company

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as at 30 June 2011 and for the six months then ended

24. COMMITMENTS AND CONTINGENCIES (continued)

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

- ▶ after a period of 18 to 24 months from the loan agreement date, if the customers default on the loan with the banks, Royal City might be required by the banks to buy back the apartments at a price no lower than 80% of the amount of downpayment received by Royal City under the apartment sale agreement.

25. EVENTS AFTER THE REPORTING PERIOD

On 7 July 2011, the Group has acquired an additional 6.5% equity interest in Royal City Development JSC, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 58.48%.

On 13 July 2011 and 20 July 2011, the Group has respectively disposed 10% and 73% equity interest in Viettronics Land Company Limited, an existing subsidiary, and thereby, reducing its equity interest in this company to 1%.

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

On 25 July 2011, the Group has acquired an additional 1.05% equity interest in Hanoi Southern City Development JSC, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 53%.

On 30 August 2011, the Group has acquired an additional 15% equity interest in Royal City Development JSC, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 73.48%.

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.