

**Vincom Joint Stock Company**

Interim Consolidated Financial Statements

30 June 2011

# Vincom Joint Stock Company

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# Vincom Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Vincom Joint Stock Company is a joint stock company established in Vietnam in accordance with Business Licence No. 0103001016 issued by the Hanoi's Department of Planning and Investment on 3 May 2002. The Company also received subsequent amended business licenses with the latest, being the 37th amended business license dated 10 June 2011.

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

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

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.

### **Group structure**

The Company has following subsidiaries:

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

PFV was transformed into a joint stock company in accordance with Business License No. 0103025765 issued by Hanoi's Department of Planning and Investment on 17 September 2008, with a registered chartered capital of VND 600 billion.

PFV's principal business activities are to construct and provide retail outlets, commercial offices for lease and high-end apartment units for sale. PFV's registered office is at No. 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam. 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 registered chartered capital of VND 300 billion.

VSC's principal business activities are to provide brokerage services, proprietary trading of securities, underwriting and investment advisory services. VSC's head office is located on the L2 floor, Vincom Center, No. 72 Le Thanh Ton, Ben Nghe ward, district 1, Hochiminh city, Vietnam. As at 31 December 2010, the Company holds 75% voting rights in this subsidiary.

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

# Vincom Joint Stock Company

## GENERAL INFORMATION (continued)

### THE COMPANY (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 License No. 0203000675 dated 5 January 2004, and the 7th amendment on 2 June 2008, with a registered chartered capital of VND300 billion. The registered office address of this company is at 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 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 License No. 0103038194 dated 11 June 2009 and the 2nd Amended Investment Certificate dated 8 July 2010, with a registered chartered capital of VND3,200 billion. The registered office address of this company is at 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 works, provide hospitality and entertainment services and conduct other businesses as stipulated in its business license. 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 issued by Hanoi's Department of Planning and Investment on 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, entertainment services and conduct other businesses as stipulated in its business license. 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 License No. 0102042441 issued by Hanoi's Department of Planning and Investment on 25 September 2009, with a registered chartered capital of VND 300 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. On 31 December 2010, the Company holds 64% voting rights in this subsidiary. Subsequently, on 8 June 2011, the Company acquired another 20% voting shares in Viettronics Land, and thereby, increasing the voting rights in this subsidiary to 84%.

# Vincom Joint Stock Company

## GENERAL INFORMATION (continued)

### THE COMPANY (continued)

#### *Hanoi Southern City Development Joint Stock Company ("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's Department of Planning and Investment on 6 March 2008, with a registered chartered capital of VND 300 billion. In accordance with the 8<sup>th</sup> Amended Investment Licence dated 5 August 2010, Hanoi South increased its registered chartered capital from VND 300 billion 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 license. As at 30 June 2011, the Company holds 51.95% voting right in this subsidiary.

#### *Xavinco Land Joint Stock Company ("Xavinco")*

Xavinco is a joint stock company established in accordance with Business License No. 0104644263 issued by Hanoi's 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. As at 31 December 2010, the Company holds 57% voting rights in this subsidiary.

On 27 June 2011, the Group has disposed 56% equity interest in Xavinco and thereby, reducing its equity 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 License No. 0104883913 issued by Hanoi's 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.

Its principal business activities are to trade real estate properties, construct buildings and railway, road, public projects and provide hospitality, entertainment, sauna, massage and advertising services. As at 30 June 2011, the Company holds 70% voting rights in this subsidiary.

### THE BOARD OF DIRECTORS

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

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

# Vincom Joint Stock Company

## GENERAL INFORMATION (continued)

### BOARD OF SUPERVISION

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

Mr. Nguyen The Anh	Head of Board of Supervision	
Mr. Dinh Ngoc Lan	Member	
Mrs. Pham Thy Tho	Member	
Mrs. Nguyen Thi Van Trinh	Member	Appointed on 26 February 2011

### MANAGEMENT

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

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

### LEGAL REPRESENTATIVE

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

### AUDITORS

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

# Vincom Joint Stock Company

## REPORT OF BOARD OF MANAGEMENT

Management of Vincom Joint Stock Company ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six-month period ended 30 June 2011.

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

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated 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 confirmed that it has complied with the above requirements in preparing the accompanying interim consolidated financial statements for the period ended 30 June 2011.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2011 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.

For and on behalf of management:



Hanoi, Vietnam

26 August 2011

Reference: 60729565/14929673

## REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

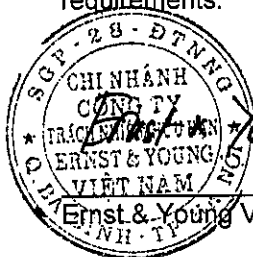
**To: The shareholders of Vincom Joint Stock Company**

We have reviewed the interim consolidated financial statements of Vincom Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as the "Group") as set out on pages 7 to 66 which comprise the interim consolidated balance sheet as at 30 June 2011, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim consolidated financial statements are the responsibility of management. Our responsibility is to issue a report on these interim consolidated financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2011, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.



*Ernst & Young Vietnam Ltd.*

Ernst & Young Vietnam Limited



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



Le Duc Truong  
Auditor  
Certificate No. 0816/KTV

Hanoi, Vietnam

26 August 2011



INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2011

Currency: VND

Code	ASSETS	Notes	30 June 2011	31 December 2010
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>16,230,546,661,392</b>	<b>13,326,421,549,479</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>191,691,290,275</b>	<b>1,515,008,976,492</b>
111	1. Cash		58,476,826,275	821,683,976,492
112	2. Cash equivalents		133,214,464,000	693,325,000,000
<b>120</b>	<b>II. Short-term investments</b>	<b>7</b>	<b>4,910,910,548,231</b>	<b>3,818,932,304,721</b>
121	1. Short-term investments		4,923,834,260,231	3,829,174,790,221
129	2. Provision for short-term investments		(12,923,712,000)	(10,242,485,500)
<b>130</b>	<b>III. Current receivables</b>		<b>5,047,722,954,816</b>	<b>5,663,564,994,753</b>
131	1. Trade receivables	6	1,003,736,014,130	2,605,627,558,066
132	2. Advances to suppliers		1,854,801,479,274	1,638,208,034,996
133	3. Receivables from related parties	36	718,713,836,284	1,057,520,388,255
135	4. Other receivables	8	1,470,500,023,128	375,163,105,605
139	5. Provision for doubtful debts		(28,398,000)	(12,954,092,169)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>5,967,727,137,298</b>	<b>2,264,169,759,164</b>
141	1. Inventories		5,992,545,559,105	2,264,169,759,164
149	2. Provision for inventories		(24,818,421,807)	-
<b>150</b>	<b>V. Other current assets</b>		<b>112,494,730,772</b>	<b>64,745,514,349</b>
151	1. Short-term prepaid expenses	10	37,411,985,892	19,623,595,664
152	2. Value added tax deductibles		67,486,696,552	42,648,048,678
159	3. Other current assets	11	7,596,048,328	2,473,870,007

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2011

Currency: VND

Code	ASSETS	Notes	30 June 2011	31 December 2010
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>13,092,568,659,364</b>	<b>12,820,427,697,940</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>4,477,955,658,770</b>	<b>4,714,385,852,467</b>
221	1. Tangible fixed assets	12	77,935,923,271	163,686,218,038
222	Cost		99,502,348,737	192,230,352,378
223	Accumulated depreciation		(21,566,425,466)	(28,544,134,340)
227	2. Intangible fixed assets	13	170,051,433,227	179,542,613,642
228	Cost		191,061,842,707	196,744,083,572
229	Accumulated amortisation		(21,010,409,480)	(17,201,469,930)
230	3. Construction in progress	14	4,229,968,302,272	4,371,157,020,787
<b>240</b>	<b>II. Investment properties</b>	<b>15</b>	<b>3,620,452,346,732</b>	<b>3,646,743,623,933</b>
241	1. Cost		3,788,774,225,739	3,763,420,137,800
242	2. Accumulated depreciation		(168,321,879,007)	(116,676,513,867)
<b>250</b>	<b>III. Long-term investments</b>	<b>17</b>	<b>3,974,674,960,672</b>	<b>3,855,099,377,861</b>
252	1. Investments in associates	17.1	3,351,544,036,906	3,295,920,940,246
258	2. Other long-term investments	17.2	623,130,923,766	560,540,964,826
259	3. Provision for long-term investments		-	(1,362,527,211)
<b>260</b>	<b>IV. Other long-term assets</b>		<b>540,943,697,087</b>	<b>361,322,428,998</b>
261	1. Long-term prepaid expenses	18	524,048,322,837	345,089,220,601
262	2. Deferred tax assets	35.2	6,378,109,249	14,586,915,040
268	3. Other long-term assets		10,517,265,001	1,646,293,357
<b>269</b>	<b>V. Goodwill</b>	<b>19</b>	<b>478,541,996,103</b>	<b>242,876,414,681</b>
<b>270</b>	<b>TOTAL ASSETS</b>		<b>29,323,115,320,756</b>	<b>26,146,849,247,419</b>

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2011

Currency: VND

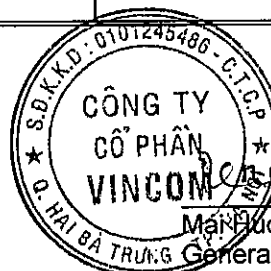
Code	RESOURCES	Notes	30 June 2011	31 December 2010
<b>300</b>	<b>A. LIABILITIES</b>		<b>20,153,193,951,932</b>	<b>16,593,209,101,230</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>11,377,171,983,169</b>	<b>5,250,152,133,873</b>
311	1. Short-term loans	20	380,871,663,107	294,320,590,034
312	2. Trade payables		67,067,950,862	112,761,461,723
313	3. Advances from customers	21	4,656,493,867,019	928,881,875,811
314	4. Statutory obligations	22	220,513,570,538	1,006,650,631,435
315	5. Payables to employees		12,704,960,455	12,547,094,121
316	6. Accrued expenses	23	430,751,733,395	534,532,161,924
317	7. Payables to related parties	36	248,830,030,051	13,036,801,679
319	8. Other payables	24	5,359,938,207,742	2,347,421,517,146
<b>330</b>	<b>II. Non-current liabilities</b>		<b>8,776,021,968,763</b>	<b>11,343,056,967,357</b>
333	1. Other long-term liabilities	25	236,413,924,773	132,880,063,891
334	2. Long-term loans	26	8,518,731,540,719	11,190,346,230,241
335	3. Deferred tax liabilities	35.2	18,596,900,945	17,618,148,945
336	4. Provision for severance allowance		2,279,602,326	2,212,524,280
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>6,029,303,457,326</b>	<b>6,842,651,283,995</b>
<b>410</b>	<b>I. Capital</b>	<b>27.1</b>	<b>6,029,303,457,326</b>	<b>6,842,651,283,995</b>
411	1. Contributed chartered capital	27.1	3,911,498,930,000	3,726,252,370,000
412	2. Share premium	27.1	2,395,153,738,480	1,522,259,442,223
414	3. Treasury shares	27.3	(720,199,415,988)	(720,199,415,988)
417	4. Supplementary capital reserve fund	27.1	-	1,762,837,618
418	5. Other reserves	27.1	7,845,114,930	2,762,837,618
420	6. Undistributed earnings	27.1	435,005,089,904	2,309,813,212,524
<b>439</b>	<b>C. MINORITY INTEREST</b>	<b>28</b>	<b>3,140,617,911,498</b>	<b>2,710,988,862,194</b>
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>29,323,115,320,756</b>	<b>26,146,849,247,419</b>

OFF BALANCE SHEET ITEMS

ITEMS	30 June 2011	31 December 2010
Foreign currencies (US\$)	419,702	183,147
Foreign currencies (EUR)	4,863	4,861



Nguyen Thi Thu Hien  
Chief Accountant



  
Manh Quang Noi  
General Director

26 August 2011

INTERIM CONSOLIDATED INCOME STATEMENT (continued)  
for the six-month period ended 30 June 2011

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2011	For the six-month period ended 30 June 2010 (Restated)
01	1. Revenue from sale of goods and rendering of services	29.1	860,047,346,360	287,632,782,214
02	2. Deductions	29.1	-	-
10	3. Net revenue from sale of goods and rendering of services	29.1	860,047,346,360	287,632,782,214
11	4. Cost of goods sold and services rendered	31	(305,577,510,571)	(82,998,131,694)
20	5. Gross profit from sale of goods and rendering of services		554,469,835,789	204,634,650,520
21	6. Income from financial activities	29.2	586,800,666,239	482,485,061,295
22	7. Expenses from financial activities	32	(432,355,155,256)	(455,095,060,537)
23	- In which: Interest expenses		(384,923,121,959)	(282,749,086,246)
24	8. Selling expenses		(51,870,556,742)	(8,851,159,734)
25	9. General and administrative expenses		(92,997,547,877)	(80,054,523,723)
30	10. Operating profit		564,047,242,153	143,118,967,821
31	11. Other income	33	76,361,022,706	69,685,135,180
32	12. Other expenses	33	(103,778,708,340)	(65,048,831,912)
40	13. Other (loss)/profit		(27,417,685,634)	4,636,303,268
45	14. Share in profit/(loss) of associates	30	74,688,050,227	(18,486,605,814)
50	15. Net profit before tax		611,317,606,746	129,268,665,275
51	16. Current corporate income tax expense	35.1	(140,509,333,813)	(16,951,449,481)
52	17. Deferred income tax expenses	35.2	(9,187,557,791)	(23,145,374,496)
60	18. Net profit after tax		461,620,715,142	89,171,841,298
	Attributable to			
61	18.1. Minority interests	28	112,270,671,185	(16,498,199,469)
62	18.2. Equity holders of the parent	27.1	349,350,043,957	105,670,040,767

INTERIM CONSOLIDATED INCOME STATEMENT (continued)  
for the six-month period ended 30 June 2011


Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2011	For the six-month period ended 30 June 2010 (Restated)
80	<b>19. Earnings per share</b>	<b>37</b>		
	- Basic		951	313
	- Diluted		951	294



Nguyen Thi Thu Hien  
Chief Accountant



  
Mai Hong Noi  
General Director

26 August 2011

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the six-month period ended 30 June 2011

Currency: VND


Code	ITEMS	Notes	For the six-month period ended 30 June 2011	For the six-month period ended 30 June 2010 (Restated)
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Net profit before tax		611,317,606,746	129,268,665,275
	Adjustments for:			
02	Depreciation and amortisation	12,13, 15	64,006,229,717	26,367,400,940
03	Changes in provisions		26,137,121,096	(123,134,151,409)
04	Unrealised foreign exchange loss	29.2, 32	14,573,890,147	43,342,282,135
05	Loss/(gain) on disposal of assets		4,745,316,859	(1,993,381,955)
	(Gain)/loss from disposal of equity investments in other entities	29.2, 32	(204,781,365,647)	43,187,913,129
	Share of (gain)/loss of associates	30	(74,688,050,227)	18,486,605,814
	Interest and dividend income	29.2	(369,299,233,272)	(269,207,150,194)
06	Interest expenses	32	384,923,121,959	282,704,163,302
	Goodwill amortization	19	13,552,730,052	5,158,461,972
08	Operating income before changes in working capital		470,487,367,430	154,180,809,009
09	Decrease/(increase) in receivables		505,564,237,840	(670,049,782,663)
10	(Increase)/decrease in inventories		(2,449,717,876,609)	13,789,668,767
11	Increase in payables		4,774,768,947,861	238,025,861,177
12	Increase in prepaid expenses		(368,969,242,989)	(11,767,052,648)
13	Interest paid		(721,053,641,909)	(579,827,065,006)
14	Corporate income tax paid	35.1	(755,478,455,227)	(34,122,257,569)
15	Other cash outflow from operating activities		(38,831,797,841)	(21,350,196,131)
20	Net cash flows from/(used in) operating activities		1,416,769,538,556	(911,120,015,064)
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets and other long-term assets		(1,228,690,781,041)	(2,348,342,862,301)
22	Proceeds from disposals of assets		57,287,524,791	66,016,515,959
23	Disbursement of loans to related parties and others		(52,000,000,000)	(670,627,846,772)
24	Collection of loans to related parties and others		506,009,943,518	739,215,150,810
25	Payments for equity investments in other entities		(316,342,800,000)	(157,384,415,397)
25	Acquisition of additional shares in existing subsidiary		(215,000,000,000)	-
25	Acquisition of subsidiary, net of cash acquired		-	(304,750,154,589)
26	Proceeds from disposals of equity investments in subsidiaries, net of cash disposed		76,084,909,997	420,397,979,087
26	Proceeds from disposals of equity investments in other entities		482,140,360,991	-
	Short-term deposits		(903,825,000,000)	(600,000,000,000)
	Redemption of short-term deposits		10,000,000,000	1,050,000,000,000
27	Interest and dividend received		174,841,568,200	290,803,615,247
30	Net cash flows used in investing activities		(1,409,494,273,544)	(1,514,672,017,956)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2011

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2011	For the six-month period ended 30 June 2010 (Restated)
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issuance of ordinary shares		-	377,217,354,500
	Capital contribution from minority interest		161,057,652,842	346,028,823,556
33	Proceeds from bond issuance and borrowings		525,120,000,000	1,998,322,529,982
34	Loan repayment		(2,016,770,604,071)	(764,903,988,640)
40	Net cash flows (used in)/from financing activities		(1,330,592,951,229)	1,956,664,719,398
50	Net decrease in cash and cash equivalents		(1,323,317,686,217)	(469,127,313,622)
60	Cash and cash equivalents at the beginning of the period		1,515,008,976,492	1,426,939,327,932
70	Cash and cash equivalents at the end of the period	5	191,691,290,275	957,812,014,310

  
\_\_\_\_\_  
Nguyen Thi Thu Hien  
Chief Accountant

  
CÔNG TY  
CỔ PHẦN  
VINCOM  
Mai Hoàng Noi  
General Director

26 August 2011

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS as at and for the six-month period ended 30 June 2011

### 1. CORPORATE INFORMATION

Vincom Joint Stock Company ("the Company") is a joint stock enterprise established in Vietnam in accordance with Business Licence No. 0103001016 issued by the Hanoi's Department of Planning and Investment on 3 May 2002. The Company also received subsequent amended business licenses with the latest, being the the 37th amended business license dated 10 June 2011.

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

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

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

The number of the Group's employees as at 30 June 2011 is 938 (31 December 2010: 596).

#### **Corporate structure**

The Company has the following subsidiaries which are all consolidated into the Group's interim consolidated financial statements:

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

PFV was transformed into a joint stock company in accordance with Business License No. 0103025765 issued by Hanoi's Department of Planning and Investment on 17 September 2008, with a registered chartered capital of VND 600 billion.

PFV's principal business activities are to construct and provide retail outlets, commercial offices for lease and high-end apartment units for sale. PFV's registered office is at No. 191 Ba Trieu street, Le Dai Hanh ward, Hai Ba Trung district, Hanoi, Vietnam. 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 registered chartered capital of VND 300 billion.

VSC's principal business activities are to provide brokerage services, proprietary trading of securities, underwriting and investment advisory services. VSC's head office is located on the L2 floor, Vincom Center, No. 72 Le Thanh Ton, Ben Nghe ward, district 1, Hochiminh city, Vietnam. As at 31 December 2010, the Company holds 75% voting rights in this subsidiary.

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

1. **CORPORATE INFORMATION** (continued)

**Corporate structure** (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 License No. 0203000675 dated 5 January 2004, and the 7th amendment on 2 June 2008, with a registered chartered capital of VND300 billion. The registered office address of this company is at 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 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 License No. 0103038194 dated 11 June 2009 and the 2nd Amended Investment Certificate dated 8 July 2010, with a registered chartered capital of VND3,200 billion. The registered office address of this company is at 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 works, provide hospitality and entertainment services and conduct other businesses as stipulated in its business license. 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 issued by Hanoi's Department of Planning and Investment on 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, entertainment services and conduct other businesses as stipulated in its business license. 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 License No. 0102042441 issued by Hanoi's Department of Planning and Investment on 25 September 2009, with a registered chartered capital of VND 300 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. On 31 December 2010, the Company holds 64% voting rights in this subsidiary. Subsequently, on 8 June 2011, the Company acquired another 20% voting shares in Viettronics Land, and thereby, increasing the ownership interest in this subsidiary to 84%.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**1. CORPORATE INFORMATION (continued)**

***Corporate structure (continued)***

*Hanoi Southern City Development JSC ("Hanoi South")*

Hanoi South, previously known as BIDV-PP JSC, is a joint stock company established in accordance with Business Licence No. 0103022741 issued by Hanoi's 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 from VND 300 billion 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 license. As at 30 June 2011, the Company holds 51.95% voting right in this subsidiary.

*Xavinco Land Joint Stock Company ("Xavinco")*

Xavinco is a joint stock company established in accordance with Business License No. 0104644263 issued by Hanoi's 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. As at 31 December 2010, the Company holds 57% voting rights in this subsidiary.

On 27 June 2011, the Group has disposed 56% equity interest in Xavinco and thereby, reducing its equity 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 License No. 0104883913 issued by Hanoi's 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.

Its principal business activities are to trade real estate properties, construct buildings and railway, road, public projects and provide hospitality, entertainment, sauna, massage and advertising services. As at 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 17.1.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

## **2. BASIS OF PREPARATION**

### **2.1 Accounting standards and system**

The interim consolidated financial statements of the the Group expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

### **2.2 Registered accounting documentation system**

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

### **2.3 Fiscal year**

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

### **2.4 Accounting currency**

The Group maintains its accounting records in VND.

### **2.5 Basis of consolidation**

The interim consolidated financial statements comprise the interim financial statements of the parent company and its subsidiaries for the six-month period ended 30 June 2011.

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Changes in accounting policies and disclosures**

The accounting policies adopted by the Group in preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2010 and the interim consolidated financial statements for the six-month period ended 30 June 2010 except for the change in the accounting policy in relation to the following:

**3.1.1 Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments**

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

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

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

**3.1.2 Effects of Changes in Foreign Exchange Rates**

The Group has adopted Vietnamese Accounting Standard No. 10 - Effects of Changes in Foreign Exchange Rates ("VAS 10") for the preparation of the consolidated financial statements for the year ended 31 December 2010 and the interim consolidated financial statements for the six-month period ended 30 June 2011. VAS 10 differs from the accounting policy adopted in prior period under Circular No. 201/2009/TT-BTC issued on 15 October 2009 by the Ministry of Finance ("Circular 201") providing guidance for the treatment of foreign exchange differences relating to the recognition of unrealised foreign exchange differences as follows:

<b>Transaction</b>	<b>Accounting treatment under</b>	
	<b>VAS 10</b>	<b>Circular 201</b>
Translation of short-term monetary assets and liabilities denominated in foreign currencies.	All unrealised foreign exchange differences are taken to the interim consolidated income statement.	All unrealised foreign exchange differences are taken to the "Foreign exchange differences reserve" account in the equity section of the consolidated balance sheet and will be reversed on the following year.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Changes in accounting policies and disclosures (continued)**

**3.1.2 Effects of Changes in Foreign Exchange Rates (continued)**

<b>Transaction</b>	<b>Accounting treatment under</b>	
	<b>VAS 10</b>	<b>Circular 201</b>
Translation of long-term monetary liabilities denominated in foreign currencies at period end.	All unrealised foreign exchange differences are taken to the interim consolidated income statement.	- All unrealized foreign exchange gains are taken to the consolidated income statement.
		- All foreign exchange losses will be charged to the consolidated income statement. However, if the charging of all foreign exchange losses results in net loss before tax for the Group, part of the exchange losses can be deferred and allocated to the consolidated income statement within the subsequent years. In any case, the total foreign exchange loss to be charged to current period's consolidated income statement must be at least equivalent to the foreign exchange losses arising from the translation of the current portion of the long-term liabilities, while the remaining portion of the foreign exchange losses can be deferred in the consolidated balance sheet and allocated to the consolidated income statement within the subsequent five years.

During the six-month period ended 30 June 2010, the Group had adopted Circular 201. Therefore, for the purpose of presenting the corresponding figures in the interim consolidated financial statements for the six-month period ended 30 June 2011, the Group has retrospectively applied the accounting policy set out under VAS 10. Impact of the retrospective application of this accounting policy to the interim consolidated income statement for the six-month period ended 30 June 2010 is disclosed in Note 41.

**3.2 Cash and cash equivalents**

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

**3.3 Inventories**

*Inventory property*

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes:

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.3 Inventories (continued)**

*Inventory property (continued)*

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

The cost of inventory recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the inventory property sold.

*Other inventories*

Inventories are carried at the lower of cost incurred in bringing each product to its present location and condition and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record the costs of inventories, in which construction materials are valued at the cost of purchase, on a first in first out basis.

*Provision for obsolete inventories*

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

**3.4 Receivables**

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

The provision for doubtful debts represents the estimated loss due to non-payment arising on receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recorded as general and administrative expense in the interim consolidated income statement.

**3.5 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.6 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

**3.7 Depreciation and amortisation**

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

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

No amortisation is charged on intangible assets which are land use rights with indefinite terms.

**3.8 Investment properties**

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

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

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

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

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

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

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the interim consolidated income statement in the year of retirement or disposal.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.8 Investment properties (continued)**

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

**3.9 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the period in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

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

**3.10 Prepaid expenses**

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

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

Other long-term prepaid expenses are amortised over the period for which the amount are paid or over the period in which economic benefits are generated in relation to these expenses.

**3.11 Business combinations and goodwill**

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

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.11 Business combinations and goodwill (continued)**

*Property acquisitions and business combinations*

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

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

*Changes in ownership interest in subsidiaries without loss of control*

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

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

**3.12 Investment in associates**

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

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.13 Investments in securities and other investments**

Investments in securities and other investments are stated at their acquisition costs. Provision is made for any diminution in value of the marketable investments at the balance sheet date representing the excess of the acquisition cost over the market value at that date in accordance with the guidance under Circular 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. Increases and decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

**3.14 Payable and accrual**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

**3.15 Accrual for severance pay**

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

**3.16 Foreign currency transactions**

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

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

The impact to the interim consolidated financial statements had the Group adopted the Circular 201 during the six-month period ended 30 June 2011 is minimal.

**3.17 Treasury shares**

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

**3.18 Appropriation of net profits**

Net profit after tax is available for appropriation to shareholders after approval by the appropriate level of authority in annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.19 Customers' downpayments for purchase of residential properties**

Payments received from customers as downpayments for the purchase of residential properties in the future that do not meet the conditions for revenue recognition are recognized and presented in "advance from customers" in the liability section of the consolidated balance sheet.

Payments received from customers, under the form of a loan agreement, for the purchase of residential properties in the future that do not meet the conditions for revenue recognition are recognized and presented in "other payables" in the liability section of the consolidated balance sheet.

**3.20 Revenue recognition**

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

*Revenue from sale of inventory property*

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

*Revenue from leasing of investment properties*

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

*Gains from securities trading/capital transfer*

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

*Interest*

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

*Dividends*

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

**3.21 Taxation**

*Current tax*

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.21 Taxation (continued)**

*Current tax (continued)*

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

*Deferred tax*

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.22 Financial instruments**

*Financial instruments – initial recognition and presentation*

Financial assets

Financial assets within the scope of Circular 210 are classified, for disclosures in the notes to the interim consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at cost plus directly attributable transaction costs. The Group's financial assets include cash and short-term deposits, trade and other receivables, loan receivables, quoted and unquoted financial instruments.

Financial liabilities

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

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

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

*Financial instruments – subsequent measurement*

No subsequent measure of financial instruments is currently required.

*Offsetting of financial instruments*

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

**3.23 Convertible bond**

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.23 Convertible bond (continued)**

On 15 December 2009, the Company issued US\$100,000,000 convertible bonds with a term of 5 years. Management has assessed that there is no equity component in these convertible bonds (since there is no known fixed number of shares to be converted on issue date) and as a result, has recognized the entire convertible bonds as a financial liability.

**4. ACQUISITIONS AND DISPOSALS DURING THE PERIOD**

**4.1 Acquisitions**

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

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

The cash consideration of this acquisition was VND212,000,000,000. The carrying value of the net assets of Sai Dong on this date was VND524,177,165,094 and the carrying value of the additional interest acquired was VND52,417,716,509. The difference of VND159,582,283,491 between the consideration paid and the carrying value of the additional interest acquired has been recognised as goodwill.

*Acquisition of additional interest in Viettronics Land, an existing subsidiary*

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

The cash consideration of this transaction was VND150,000,000,000. The carrying value of the net assets of Viettronics Land on this date was VND164,054,675,808 and the carrying value of the additional interest acquired was VND60,105,935,162. The difference of VND89,894,064,838 between the consideration paid and the carrying value of the additional interest acquired has been recognised as goodwill.

**4.2 Disposals**

*Disposal of entire equity interest in Vincom Securities JSC*

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

*Disposal of equity interest in Xavinco Land JSC*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

5. CASH AND CASH EQUIVALENTS

	Currency: VND	
	30 June 2011	31 December 2010
Cash on hand	763,269,071	7,662,338,407
Cash at bank	57,713,557,204	814,021,638,085
Cash equivalents	133,214,464,000	693,325,000,000
	<b>191,691,290,275</b>	<b>1,515,008,976,492</b>

Cash equivalents include term deposit in Vietnam dong with term ranging from 1 week to 3 month. Such term deposits bear interest rate of 14% per annum.

6. TRADE RECEIVABLES

	Currency: VND	
	30 June 2011	31 December 2010
Receivables from sales of inventory properties	925,472,173,385	2,378,732,365,218
Receivables from leasing of investment properties and other services	78,263,840,745	226,895,192,848
	<b>1,003,736,014,130</b>	<b>2,605,627,558,066</b>

7. SHORT-TERM INVESTMENTS

	Currency: VND	
	30 June 2011	31 December 2010
Loans to related parties	302,410,000,000	502,410,000,000
Loans to others	1,363,133,684,351	1,404,009,943,518
Short-term deposits	2,403,825,000,000	1,600,000,000,000
Short-term investments in securities	854,465,575,880	322,754,846,703
<b>Total short-term investments</b>	<b>4,923,834,260,231</b>	<b>3,829,174,790,221</b>
Provision for decline in value of short-term investments in securities	(12,923,712,000)	(10,242,485,500)
	<b>4,910,910,548,231</b>	<b>3,818,932,304,721</b>

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

Loans to others include secured loans, of VND 1,273 billion, provided to the individuals and entities with the interest ranging from 12.6% per annum to 18% per annum. It also includes un-secured loan, of VND 90 billion, provided to a financial institution, which bears interest rate of 17% per annum.

Short-term deposits are deposits at banks and financial institutions with terms ranging from 6 to 12 months and with interest rate ranging from 14% to 15% per annum.

Short-term investments in securities represent investments in listed shares. The provision for short-term investment is the difference between the carrying value and the market value of short-term investments in these securities as at 30 June 2011.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

8. OTHER RECEIVABLES

Currency: VND

	30 June 2011	31 December 2010
Receivables from disposal of shares in subsidiaries, associates and other investments	255,200,000,000	83,000,000,000
Interest receivables	356,274,863,243	278,312,742,765
Receivables from assets disposal to World Game	30,631,376,683	-
Other receivables	828,393,783,202	13,850,362,840
	<b>1,470,500,023,128</b>	<b>375,163,105,605</b>

Interest receivables mainly derived from term deposits at financial institutions and from loans provided to other individuals and entities as disclosed in Note 7 and Note 17.2.

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.

9. INVENTORIES

Currency: VND

	30 June 2011	31 December 2010
Completed inventory properties	160,515,905,024	209,754,922,968
Residential properties under construction	5,830,647,597,581	2,053,646,285,524
Other construction materials	202,802,807	72,954,047
Tools and supplies	1,179,253,693	695,596,625
Provision for inventories	(24,818,421,807)	-
	<b>5,967,727,137,298</b>	<b>2,264,169,759,164</b>

Completed inventory properties represent costs of residential apartment units at Vincom Center, which have been completed and ready for sale in 2010, costs of other apartments units acquired for re-sale, and costs of land use rights in An Vien Eco Tourist project (located in Vinh Nguyen and Vinh Truong wards, Nha Trang City, Khanh Hoa province) which are held for sale. Provision for inventories represent the difference between the net realizable value of apartment units acquired for re-sale and its costs as at 30 June 2011.

Residential properties under construction represent costs of residential apartment units and housing units at Royal City, Vincom Village and Times City projects, which are still under development as at 30 June 2011.

10. SHORT-TERM PREPAID EXPENSES

Currency: VND

	30 June 2011	31 December 2010
Consulting fee for share listing in Singapore Exchange	24,222,954,433	8,457,198,555
Other short-term prepaid expenses	13,189,031,459	11,166,397,109
	<b>37,411,985,892</b>	<b>19,623,595,664</b>

11. OTHER CURRENT ASSETS

Currency: VND

	30 June 2011	31 December 2010
Advances to employees	7,485,902,893	1,314,823,257
Other receivables	110,145,435	1,159,046,750
	<b>7,596,048,328</b>	<b>2,473,870,007</b>



# Vincom Joint Stock Company

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## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued) as at and for the six-month period ended 30 June 2010

### 12. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Motor vehicles	Office equipment	Other	Total
Currency: VND						
<b>Cost:</b>						
As at 31 December 2010	85,676,322,606	55,069,330,881	16,256,854,650	33,541,389,057	1,686,455,184	192,230,352,378
Increases	780,162,433	28,276,005,077	4,812,185,200	2,989,484,837	11,727,273	36,869,564,820
<i>In which:</i>						
<i>Newly purchased</i>	511,355,131	14,464,650,682	4,812,185,200	2,989,484,837	11,727,273	22,789,403,123
<i>Newly constructed</i>	-	1,921,288,812	-	-	-	1,921,288,812
<i>Other additions</i>	268,807,302	11,890,065,583	-	-	-	12,158,872,885
Decreases	77,316,764,173	41,054,772,973	2,394,046,806	7,314,233,449	1,517,751,060	129,597,568,461
<i>In which:</i>						
<i>Reclassify to inventories</i>	77,316,764,173	-	-	-	-	77,316,764,173
<i>Sold, disposed</i>	-	32,786,522,642	-	2,857,500	-	32,789,380,142
<i>Other decreases</i>	-	8,268,250,331	2,394,046,806	7,311,375,949	1,517,751,060	19,491,424,146
As at 30 June 2011	9,139,720,866	42,290,562,985	18,674,993,044	29,216,640,445	180,431,397	99,502,348,737
<b>Accumulated depreciation:</b>						
As at 31 December 2010	878,787,881	8,967,970,916	6,445,544,566	11,188,960,461	1,062,870,516	28,544,134,340
Additions	649,836,284	2,505,776,053	1,117,894,314	2,223,949,404	19,634,401	6,517,090,456
Decreases	1,303,822,296	7,556,200,482	134,242,055	3,545,204,420	955,330,077	13,494,799,330
<i>In which:</i>						
<i>Reclassify to inventories</i>	1,303,822,296	-	-	-	-	1,303,822,296
<i>Sold, disposed</i>	-	2,907,747,997	-	-	-	2,907,747,997
<i>Other reduction</i>	-	4,648,452,485	134,242,055	3,545,204,420	955,330,077	9,283,229,037
As at 30 June 2011	224,801,869	3,917,546,487	7,429,196,825	9,867,705,445	127,174,840	21,566,425,466
<b>Net carrying amount:</b>						
As at 31 December 2010	84,797,534,725	46,101,359,965	9,811,310,084	22,352,428,596	623,584,668	163,686,218,038
As at 30 June 2011	8,914,918,997	38,373,016,498	11,245,796,219	19,348,935,000	53,256,557	77,935,923,271

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2010

13. INTANGIBLE FIXED ASSETS

	Currency: VND		
	Computer software	Land rental right	Total
<b>Cost:</b>			
As at 31 December 2010	11,805,208,517	184,938,875,055	196,744,083,572
Additions	238,344,113	-	238,344,113
In which:			
Newly purchased	238,344,113	-	238,344,113
Decreases	5,920,584,978	-	5,920,584,978
In which:			
Sold, disposed	5,920,584,978	-	5,920,584,978
Other decreases	-	-	-
As at 30 June 2011	6,122,967,652	184,938,875,055	191,061,842,707
<b>Accumulated amortisation:</b>			
As at 31 December 2010	3,968,099,654	13,233,370,276	17,201,469,930
Additions	852,264,520	4,608,950,525	5,461,215,045
Decreases	1,652,275,495	-	1,652,275,495
As at 30 June 2011	3,168,088,679	17,842,320,801	21,010,409,480
<b>Net carrying amount:</b>			
As at 31 December 2010	7,837,108,863	171,705,504,779	179,542,613,642
As at 30 June 2011	2,954,878,973	167,096,554,254	170,051,433,227

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

14. CONSTRUCTION IN PROGRESS

	Currency: VND	
	30 June 2011	31 December 2010
Eden A project	1,878,905,110,584	1,449,372,526,342
Times City project	490,892,559,647	447,282,464,580
Royal City project	1,007,414,069,429	878,757,821,734
Vincom Village project	659,015,620,509	1,407,650,122,496
Vincom Hai Phong project	10,911,175,507	10,159,485,630
Ho Tay project	42,043,914,545	42,043,914,545
223B Nguyen Trai (Xavinco) project	-	103,104,833,409
Vietronics Land project	138,250,000,000	30,250,000,000
Other projects	2,535,852,051	2,535,852,051
	<b>4,229,968,302,272</b>	<b>4,371,157,020,787</b>

Capital expenditures for the Eden Project includes construction costs, land compensation and site clearance costs incurred relating to the Eden A project, which is a commercial centre, hotel and underground carpark complex. This project is located at the current Eden area (surrounded by Dong Khoi, Le Thanh Ton, Nguyen Hue and Le Loi street). The Company received the construction certificates No. 40/GPXD on 23 March 2011 and No. 105/GPXD on 14 July 2011 from the Hochiminh City Construction Department to implement the project. The Company is also in the progress of applying for Land Use Right Certificate for the area used to construct Vincom Centre A Hochiminh city building.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2010

**14. CONSTRUCTION IN PROGRESS (continued)**

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

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

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

**15. INVESTMENT PROPERTIES**

				Currency: VND
	<i>Land use rights</i>	<i>Buildings and structures</i>	<i>Machineries &amp; equipment</i>	<i>Total</i>
<b>Cost:</b>				
As at 31				
December 2010	1,215,844,638,656	2,220,065,284,736	327,510,214,408	3,763,420,137,800
Additions	-	28,630,884,759	8,512,248,911	37,143,133,670
Decreases	(42,282,047)	(9,182,443,117)	(2,564,320,567)	(11,789,045,731)
As at 30 June 2011	<u>1,215,802,356,609</u>	<u>2,239,513,726,378</u>	<u>333,458,142,752</u>	<u>3,788,774,225,739</u>
<b>Accumulated depreciation:</b>				
As at 31				
December 2010	13,278,334,483	41,120,736,366	62,277,443,018	116,676,513,867
Additions	11,680,764,990	23,418,810,510	16,928,348,716	52,027,924,216
Decreases	(519,540)	-	(382,039,536)	(382,559,076)
As at 30 June 2011	<u>24,958,579,933</u>	<u>64,539,546,876</u>	<u>78,823,752,198</u>	<u>168,321,879,007</u>
<b>Net carrying amount:</b>				
As at 31				
December 2010	<u>1,202,566,304,173</u>	<u>2,178,944,548,370</u>	<u>265,232,771,390</u>	<u>3,646,743,623,933</u>
As at 30 June 2011	<u>1,190,843,776,676</u>	<u>2,174,974,179,502</u>	<u>254,634,390,554</u>	<u>3,620,452,346,732</u>

Investment properties as at 30 June 2011 includes:

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2010

**15. INVESTMENT PROPERTIES (continued)**

Market value as at 30 June 2011 of the Group's investment properties as determined by an independent valuer is as follows:

- ▶ Vincom Center Hanoi – Tower B building (office and retail area): USD113,800,000;
- ▶ Vincom Center Hanoi – Tower C building (retail area only): USD43,500,000;
- ▶ Vincom Center B Hochiminh City building (office and retail area): USD507,000,000.

**16. CAPITALIZED BORROWING COSTS**

During the period, the Group capitalized borrowing costs amounting to VND458 billion (2010: VND239.6 billion). These costs relate to the general borrowings to finance the construction of the Vincom Center A Hochiminh city project, the Times City project, the Vincom Village project and the Royal City project. The rate used to determine the amount of borrowing costs eligible for capitalisation in the period was 15.71% per annum (2010: 12.4% per annum), which is the weighted average of the borrowings of the Group that are outstanding during the construction period.

**17. LONG-TERM INVESTMENTS**

		<i>Currency: VND</i>	
	<i>Notes</i>	<i>30 June 2011</i>	<i>31 December 2010</i>
Investment in associates	17.1	3,351,544,036,906	3,295,920,940,246
Other long-term investments	17.2	623,130,923,766	560,540,964,826
<b>Total long-term investments</b>		<b>3,974,674,960,672</b>	<b>3,856,461,905,072</b>
Provision for other long-term investments		-	(1,362,527,211)
		<b>3,974,674,960,672</b>	<b>3,855,099,377,861</b>

# Vincom Joint Stock Company

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## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued) as at and for the six-month period ended 30 June 2011

### 17. LONG-TERM INVESTMENTS (continued)

#### 17.1 Investment into associates

	Vietnam Tourism	Vinpearl Hoi An	FTC	Sinh Thai	Green City	Thang Long	Total
	VND	VND	VND	VND	VND	VND	VND
As at 1 January 2011	39,986,952,728	138,493,440,538	12,174,457,006	2,602,053,973,281	485,708,545,468	17,503,571,225	3,295,920,940,246
Investment during the period	-	-	-	-	300,000,000,000	-	300,000,000,000
Disposed during the period	-	(137,242,759,902)	-	-	-	-	(137,242,759,902)
Dividend declared	(1,523,141,932)	-	-	(179,922,902,495)	-	-	(181,446,044,427)
Share of profit/(loss) from associates	804,989,983	(1,250,680,636)	752,911,483	48,664,098,069	25,000,077,883	340,504,207	74,311,900,989
<b>As at 30 June 2011</b>	<b>39,268,800,779</b>	<b>-</b>	<b>12,927,368,489</b>	<b>2,470,795,168,855</b>	<b>810,708,623,351</b>	<b>17,844,075,432</b>	<b>3,351,544,036,906</b>

#### (i) Vietnam Tourism Joint Stock Company in Hochiminh city ("Vietnam Tourism")

Vietnam Tourism is previously a state-owned company which was privatised in early 2007 in accordance with Business Licence No. 41030006768 issued by Hochiminh's Department of Planning and Investment on 18 May 2007 with a chartered capital of VND 31,500,000,000. Its principal activities are to lease an office building and undertake tourism services. Vietnam Tourism's head office is located in 234 Nam Ky Khoi Nghia, district 3, Hochiminh city, Vietnam. The Company holds 21% voting rights in this associate at 30 June 2011.

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

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

In March 2011, the Group completed the disposal of 24% equity interest in Vinpearl Hoi An. The disposal is effected through a share swap whereby the Group received 1 Vinpearl JSC share for 2.59 shares in Vinpearl Hoi An held by the Group.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**17. LONG-TERM INVESTMENTS (continued)**

**17.1 Investment into associates and jointly controlled operations (continued)**

(iii) *Foreign Trade Concrete Joint Stock Company ("FTC")*

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

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

Sinh Thai is a joint stock company established in accordance with Business License No. 0900222333 issued by Hung Yen's Department of Planning and Investment on 31 March 2008, and the 7th amendment on 20 December 2010, with a registered chartered capital of VND 4,410 billion. Its principal activities are to trade real estates and other activities. The registered office address of this company is at K6+200 Highway 39A Yen My town, Yen My district, Hung Yen. The Group has direct and indirect voting rights in this associate of 44.98% at 30 June 2011.

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

Green City Development Joint Stock Company is a joint stock company established in accordance with Business License No.4103008366 issued by Hochiminh City's Department of Planning and Investment on 16 September 2010, with a registered chartered capital of VND 1,000 billion. Its principal business activities are to trade real estates and other activities. The registered office address of this company is at 72 Le Thanh Ton, Ben Nghe Precinct, district 1, Hochiminh city. On 17 June 2011, the Company purchased 20% equity interest of this associate, and thereby, increased its voting rights in this associate is 44% at 30 June 2011.

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

17. LONG-TERM INVESTMENTS (continued)

17.2 Other long-term investments

Currency: VND

	30 June 2011	31 December 2010
<i>Long-term loans</i>		
Loan to Hanoi Electronics Corporation	150,000,000,000	150,000,000,000
Loan to Thai Kieu Company Limited	69,959,930,966	175,713,314,985
Loan to Mai Son Joint Stock Company	56,296,241,673	81,323,178,567
Loan to Global Link Company Limited	25,843,817,456	51,687,634,911
	<b>302,099,990,095</b>	<b>458,724,128,463</b>
<i>Investment into shares of unlisted companies</i>		
Investment in Dong Da Electronics JSC	42,820,138,903	26,460,980,000
Investment in Thanh Nien Media JSC	12,400,000,000	12,400,000,000
Investment into 8/3 Investment JSC	3,000,000,000	3,000,000,000
Investment into Tay Tang Long Real Estate JSC	635,000,000	635,000,000
	<b>58,855,138,903</b>	<b>42,495,980,000</b>
<i>Other long-term investments</i>		
Investment in Nguyen Van Huyen project	54,000,000,000	54,000,000,000
Investment in Xavinco	2,854,938,405	-
Investment in Hoang Cau project	5,320,856,363	5,320,856,363
Deposit to Sinh Thai for additional acquisition of Royal City shares	200,000,000,000	-
	<b>262,175,794,768</b>	<b>59,320,856,363</b>
	<b>623,130,923,766</b>	<b>560,540,964,826</b>
Provision for long-term investments	-	(1,362,527,211)
	<b>623,130,923,766</b>	<b>559,178,437,615</b>

Loan to Hanoi Electronics Corporation ("Hanel") is provided to Hanel for its capital contribution to Sai Dong Urban Development and Investment JSC. This loan has terms of 5 years and earns interest rate of 10% per annum.

Long-term loans to Thai Kieu Company Limited, Mai Son JSC and Global Link Company Limited are provided to these entities, which are also retail tenants at various properties owned by the Group. These loans have terms ranging from 1 to 4 years and interest rates ranging from 12.5% per annum to 15% per annum and will be revised based on the lending interest rate offered by the Bank for Investment and Development of Vietnam. As at 30 June 2011, a portion of these loans are also reclassified to short-term investments.

18. LONG-TERM PREPAID EXPENSES

Currency: VND

	30 June 2011	31 December 2010
Bond and share issue costs	54,368,909,649	129,629,614,106
Prepaid land rentals	110,961,399,346	112,182,784,078
Commission fees	258,420,689,168	51,888,789,681
Provisional CIT on downpayments from customers for purchase of residential properties	74,403,020,957	18,549,500,165
Other long-term prepaid expenses	25,894,303,717	32,838,532,571
	<b>524,048,322,837</b>	<b>345,089,220,601</b>

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 19. GOODWILL

	Goodwill on Hanoi South	Goodwill on PFV	Goodwill on VSC	Goodwill on Sai Dong	Goodwill on Viettronics Land	Currency: VND Total
<b>Cost:</b>						
As at 31 December 2010	166,599,625,220	131,725,993,204	309,644,225	-	-	298,635,262,649
- Additions	-	-	-	159,582,283,491	89,894,064,838	249,476,348,329
- Disposal	-	-	(309,644,225)	-	-	(309,644,225)
As at 30 June 2011	166,599,625,220	131,725,993,204	-	159,582,283,491	89,894,064,838	547,801,966,753
<b>Accumulated amortisation:</b>						
As at 31 December 2010	1,131,104,542	54,581,296,792	46,446,634	-	-	55,758,847,968
- Amortization	8,273,426,034	5,142,979,761	5,160,737	131,163,521	-	13,552,730,053
- Disposal	-	-	(51,607,371)	-	-	(51,607,371)
As at 30 June 2011	9,404,530,576	59,724,276,553	-	131,163,521	-	69,259,970,650
<b>Net carrying amount:</b>						
As at 31 December 2010	165,468,520,678	77,144,696,412	263,197,591	-	-	242,876,414,681
As at 30 June 2011	157,195,094,644	72,001,716,651	-	159,451,119,970	89,894,064,838	478,541,996,103



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**20. SHORT-TERM LOANS**

Currency: VND

	30 June 2011	31 December 2010
Short-term loans from Dai A Commercial Joint Stock Bank	94,200,000,000	94,200,000,000
Current portion of long-term loans from Bank for Investment and Development of Vietnam (Note 26.1)	279,671,663,107	171,754,090,034
Other short-term loans	7,000,000,000	28,366,500,000
	<b>380,871,663,107</b>	<b>294,320,590,034</b>

Details of short-term loans are as below:

Lender	Ending balance VND	Maturity	Maturity date	Interest rate	Collateral
Dai A bank	94,200,000,000	15 months	2 July 2011	16.0% per annum	400,000 VPL shares owned by Sinh Thai + 4,606,200 VPL shares owned by Vingroup and 4,657,725 VIC shares owned by Vingroup
Overseas Vietnamese Entrepreneur JSC	7,000,000,000	9 months	28 August 2011	17% per annum	No collateral
	<b>101,200,000,000</b>				

**21. ADVANCE FROM CUSTOMERS**

Currency: VND

	30 June 2011	31 December 2010
Downpayments from customers for purchase of residential properties at Royal City project	3,707,413,586,686	925,521,554,273
Advance for business co-operation contract from secondary investors of Vincom Village project	947,600,000,000	-
Others	1,480,280,333	3,360,321,538
	<b>4,656,493,867,019</b>	<b>928,881,875,811</b>

**22. STATUTORY OBLIGATIONS**

Currency: VND

	30 June 2011	31 December 2010
Corporate income tax payable (see Note 35.1)	138,088,309,624	695,553,737,318
Value added tax payable	80,125,421,061	309,987,174,932
Personal income tax	2,251,541,364	975,459,959
Others	48,298,489	134,259,226
	<b>220,513,570,538</b>	<b>1,006,650,631,435</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**23. ACCRUED EXPENSES**

*Currency: VND*

	<i>30 June 2011</i>	<i>31 December 2010</i>
Accrued bond and loan interests	333,286,806,614	370,150,759,148
Accruals for construction costs	68,106,266,105	122,508,534,020
Other accrued expenses	29,358,660,676	41,872,868,756
	<b><u>430,751,733,395</u></b>	<b><u>534,532,161,924</u></b>

**24. OTHER PAYABLES**

*Currency: VND*

	<i>30 June 2011</i>	<i>31 December 2010</i>
Payables for investment activities	155,000,000,000	90,000,000,000
Dividend payable to shareholders	2,217,313,051,647	-
Deposits from customers	2,884,595,637,885	2,173,722,817,202
Apartment maintenance fund	32,799,865,021	32,509,700,339
Deferred revenue to be realised within the next 12 months (Note 25)	15,910,525,526	26,857,741,555
Deposits from tenants to be refunded within the next 12 months (Note 25)	28,750,452,833	13,523,430,617
Other payables	22,805,735,735	10,153,327,745
Social insurance	2,762,939,095	654,499,688
	<b><u>5,359,938,207,742</u></b>	<b><u>2,347,421,517,146</u></b>

Payables for investment activities include an amount of VND135 billion payable for the acquisition of 20% additional interest in Viettronics Land and an advance of VND20 billion for investment activities from another investor.

Dividend payable to shareholders are declared in accordance with the Annual General Shareholder Meeting minutes dated 26 February 2011.

Deposits from customers are payments collected under the loan agreements which provide the lenders an option to purchase residential properties owned by the Group, such as residential properties at the Royal City project and the Times City project.

Apartment maintenance fund represents the contribution from the residents of the Vincom Park Place complex as a fund for future maintenance of the building. The cash contribution of the residents is temporarily deposited at a bank account opened by the Company and will be handed over to a building management board once it is set up.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**25. OTHER LONG-TERM LIABILITIES**

Currency: VND

	30 June 2011	31 December 2010
Deferred revenue	17,403,954,348	28,407,969,180
Deferred revenue to be realised within the next 12 months (Note 24)	(15,910,525,526)	(26,857,741,555)
	1,493,428,822	1,550,227,625
Deposits from tenants	263,670,948,784	144,852,818,383
Deposits from tenants to be refunded within the next 12 months (Note 24)	(28,750,452,833)	(13,523,430,617)
	234,920,495,951	131,329,387,766
Other long-term liabilities	-	448,500
	<b>236,413,924,773</b>	<b>132,880,063,891</b>

**26. LONG-TERM LOANS**

Currency: VND

	30 June 2011	31 December 2010
Loans from banks	1,093,044,144,790	1,202,278,630,241
Loan from Vinpearl JSC	1,226,400,000,000	1,809,400,000,000
Loan from Ecology Developing and Investment JSC	549,287,395,929	1,406,000,000,000
Corporate bonds	5,650,000,000,000	6,772,667,600,000
	<b>8,518,731,540,719</b>	<b>11,190,346,230,241</b>

**26.1 Long-term loans**

Currency: VND

Lender	Ending balance VND	Maturity	Maturity date	Interest rate (% per annum)	Collateral
Bank for Investment and Development of Vietnam – Quang Trung Branch ("BIDV")	1,372,715,807,897	72 months from the date of first loan	23 January 2015	Reference rate + 4.5%/year, and not greater than lending rate quoted by State Bank of Vietnam and BIDV	Land use rights and assets to be formed on the land area at 66-68-70-72 Le Thanh Ton, Ben Nghe, District 1, HCM City.
Less: Current portion (Note 21)	(279,671,663,107)				Machines, equipments, vehicles and other properties directly relating to the Project.
Vinpearl Land JSC	1,226,400,000,000	36 months from contract date	24 September 2012	First year is 13.2%. Following year to 24 September 2012: average of 3 year bond and 5 year bond as noticed by Bank for Industry and Trade + 1%	No collateral
Ecology Investment and Development JSC	549,287,395,929	36 months from contract date	23 November 2013	First year: 16.78%, for the second year to 23 November 2013: average of 12 months time deposit as noticed by Vietnam Joint Stock Commercial Bank for Industry and Trade + 5.78%	No collateral
	<b>2,868,731,540,719</b>				

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**26. LONG-TERM LOANS (continued)**

**26.2 Corporate bonds**

As at 30 June 2011, the Group has the following corporate bonds:

- ▶ The first bond has a face value of VND 1,000,000,000,000, unsecured, with a maturity date of 22 October 2012 and bears coupon rate of 10.3% per annum. Ecology Developing and Investment JSC, an associate, is also a holder of VND 300 billion of these bonds
- ▶ The second bond has a face value of VND 2,000,000,000,000, unsecured, with a maturity date of 6 May 2013, bears interest rate which will be revised on an annual basis, equal to at the average 1-year savings account interest rates of four banks namely: Agribank, Vietcombank, BIDV and Vietinbank, plus 4% (for the period from 7 May 2010 to 7 May 2011: 15.4% and from 6 May 2011 to 6 May 2012: 17.9% per annum).
- ▶ The third bond has a face value of VND 1,000,000,000,000 issued on 18 December 2009, with a term of three years. This bond bears interest rate which will be revised on an annual basis, equal to at the average 1-year saving rate of Maritime Joint Stock Bank (MSB), plus 4% (for the period from 18 December 2010 to 18 December 2011: 18% per annum). This bond is secured by (i) the land use right and the assets on the land of Vincom City Tower (Tower B) located at No. 191, Ba Trieu Street, Hanoi; (ii) 2.8 million Vincom shares owned by related individuals; (iii) 12.7 million shares of Vinpearl JSC ("VPL") owned by Vietnam Investment Group JSC ("Vingroup JSC"), an entity that is under common owners with the Company and 4.3 million VPL shares owned by Ecology Developing and Investment JSC, an associate of the Company.
- ▶ The fourth bond has a face value of VND 1,000,000,000,000, issued on 11 May 2010 with a term of five years. This bond bears interest rate which will be revised on an semi-annual basis, equal to the average 1-year savings account rate of Vietnam Joint Stock Commercial Bank for Industry and Trade – Hanoi branch (Vietinbank) + 5.5% (for the period from 11 May 2011 to 10 November 2011: 19.5% per annum). The Company is under an obligation to submit the land use right certificate for the "Hotel - Office - Basement complex at Eden quadrangle" project as pledge asset for this bond within nine months since the issue date, 11 May 2010. Such deadline was then extended to 12 November 2011 by Vietinbank
- ▶ The fifth bond has a face value of VND 650 billion (in which VND 300 billion, VND 150 billion and VND 200 billion were issued on 9 September 2009, 26 October 2009 and 29 April 2010 respectively), with a term of three years from issue date. This bond bears interest rate which will be revised on an annual basis, equal to at the average 1-year saving rates of four banks, Agribank, Vietcombank, BIDV and Vietinbank + 4% (for the period from 29 April 2011 to 29 April 2012: the bonds of VND 300 billion and VND 150 billions: 15.25% per annum, the bond of VND 200 billion: 17.88% per annum). This bond is secured by the land use right and the assets on the land owned by Sun City JSC located at No. 13, Hai Ba Trung Street, Trang Tien ward, Hoan Kiem district, Hanoi.

*Convertible bonds issued on 15 December 2009*

During the six-month period ended 30 June 2011, the bondholders have converted US\$59,200,000 bonds into 18,524,656 ordinary shares of the Company at the exercise price of VND60,000/share. The outstanding balance of the bonds of US\$100,000 was also redeemed by the Company on 6 June 2011.

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

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## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued) as at and for the six-month period ended 30 June 2011

### 27. OWNERS' EQUITY

#### 27.1 Increase and decrease in owners' equity

	Contributed chartered capital VND	Share premium VND	Treasury shares VND	Supplementary capital reserve fund VND	Other reserves VND	Undistributed earnings VND	Total VND
<i>For the six-month period ended 30 June 2010</i>							
As at 1 January 2010	1,996,272,380,000	773,354,590,000	(1,898,164,733,713)	1,762,837,618	1,762,837,618	1,203,661,666,297	2,078,649,577,820
- Increase in the period	1,609,194,220,000	32,856,260,000	-	-	-	-	1,642,050,480,000
- Treasury shares	-	-	816,764,400,000	-	-	-	816,764,400,000
- Profit for the period	-	-	-	-	-	105,670,040,767	105,670,040,767
- Dividend paid	-	-	-	-	-	(1,199,747,240,000)	(1,199,747,240,000)
<b>As at 30 June 2010</b>	<b>3,605,466,600,000</b>	<b>806,210,850,000</b>	<b>(1,081,400,333,713)</b>	<b>1,762,837,618</b>	<b>1,762,837,618</b>	<b>109,584,467,064</b>	<b>3,443,387,258,587</b>
<i>For the six-month period ended 30 June 2011</i>							
As at 1 January 2011	3,726,252,370,000	1,522,259,442,223	(720,199,415,988)	1,762,837,618	2,762,837,618	2,309,813,212,524	6,842,651,283,995
- Increase in the period	185,246,560,000	872,894,296,257	-	-	-	-	1,058,140,856,257
- Other reserves	-	-	-	-	6,845,114,930	(6,845,114,930)	-
- Profit for the period	-	-	-	-	-	349,350,043,957	349,350,043,957
- Disposal of VSC	-	-	-	(1,762,837,618)	(1,762,837,618)	-	(3,525,675,236)
- Dividend declared	-	-	-	-	-	(2,217,313,051,647)	(2,217,313,051,647)
<b>As at 30 June 2011</b>	<b>3,911,498,930,000</b>	<b>2,395,153,738,480</b>	<b>(720,199,415,988)</b>	<b>-</b>	<b>7,845,114,930</b>	<b>435,005,089,904</b>	<b>6,029,303,457,326</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**27. OWNERS' EQUITY (continued)**

**27.1 Increase and decrease in owners' equity (continued)**

In accordance with the Annual General Shareholder Meeting minute dated 26 February 2011, the General Shareholder has approved the dividend declaration of VND2,300,000,000,000 from the profit of year ended 31 December 2010. This dividend amount has not been paid out as of the date of these interim consolidated financial statements.

In addition, as presented in Note 26.2, during the six-month period ended 30 June 2011, the bondholders have converted US\$59,200,000 bonds into new ordinary shares which equal to 18,524,656 new shares (at par value of VND10,000/share). Consequently, charter capital of the Company increased by VND185,246,560,000 (equivalent to 18,524,656 new shares at a par value of VND10,000/share) and share premium increased by VND872,894,296,257, after excluding issue fees.

**27.2 Fund**

	30 June 2011	31 December 2010
Supplementary capital reserve	-	1,762,837,618
Other funds	7,845,114,930	2,762,837,618
<b>TOTAL</b>	<b>7,845,114,930</b>	<b>4,525,675,236</b>

**27.3 Ordinary and convertible preference shares**

	30 June 2011	31 December 2010
Number of shares registered to issue	391,149,893	372,625,237
Number of shares issued to public	391,149,893	372,625,237
<i>Ordinary shares</i>	391,149,893	372,625,237
<i>Convertible preference shares</i>	-	-
Number of outstanding shares	391,149,893	372,625,237
<i>Ordinary shares</i>	391,149,893	372,625,237
<i>Convertible preference shares</i>	-	-

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

**27.4 Treasury shares**

***Treasury shares held by subsidiary***

As at 30 June 2011, Royal City held 14,062,170 Vincom shares at a carrying value of VND 720,199,415,988.

***Treasury shares held by associate***

As at 30 June 2011, Ecology Developing and Investment JSC, an associate, held 24,606,242 Vincom shares at a carrying value of VND931,258,136,061

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28. MINORITY INTERESTS

Currency: VND

For the six-month  
period ended 30  
June 2011

Beginning balance	2,710,988,862,194
Capital contribution by minority interest	624,648,402,842
Share of post-acquisition profit	112,270,671,185
Disposal of subsidiaries	(307,290,024,723)
<b>Ending balance</b>	<b>3,140,617,911,498</b>

29. REVENUE

29.1 Revenue from sale of goods and rendering of services

Currency: VND

For the six-month  
period ended 30  
June 2011

For the six-month  
period ended 30  
June 2010

<b>Gross revenue</b>	<b>860,047,346,360</b>	<b>287,632,782,214</b>
<i>Of which:</i>		
Revenue from leasing of investment properties and provision of related services	473,336,463,596	271,926,738,910
Revenue from sale of inventory properties	385,822,411,618	-
Revenue from securities brokerage services and other investment consulting activities	888,471,146	15,706,043,304
<b>Less</b>		
Sales allowance	-	-
Revenue deduction	-	-
<b>Net revenue</b>	<b>860,047,346,360</b>	<b>287,632,782,214</b>
<i>Of which:</i>		
Revenue from leasing of investment properties and provision of related services	473,336,463,596	271,926,738,910
Revenue from sale of inventory properties	385,822,411,618	-
Revenue from securities brokerage services and other investment consulting activities	888,471,146	15,706,043,304

29.2 Income from financial activities

Currency: VND

For the six-month  
period ended 30  
June 2011

For the six-month  
period ended 30 June  
2010

Loan interest income	367,740,250,672	268,429,334,194
Reversal of provision for decline in value of investments	1,362,527,211	125,905,130,872
Gain from disposal of the shares in subsidiaries and associates	204,781,365,647	48,058,314,337
Realised foreign exchange gains	10,228,812,987	38,350,978,014
Income from investment activities	1,558,982,600	777,816,000
Unrealised foreign exchange gains	409,355,543	693,757,197
Other financial income	719,371,579	269,730,681
	<b>586,800,666,239</b>	<b>482,485,061,295</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**30. SHARES IN PROFITS/(LOSS) OF ASSOCIATES**

	<i>For the six-month period ended 30 June 2011</i>	<i>Currency: VND For the six-month period ended 30 June 2010</i>
Ngoc Viet Real Estate JSC	-	1,738,628,794
PCM Joint Stock Company	-	1,035,733,477
Foreign Trade Concrete JSC	1,129,060,722	199,692,252
Vinpearl Hoi An JSC	(1,250,680,636)	(6,062,402,516)
Vincharm Service and Development JSC	-	(2,496,514,479)
Entertainment World JSC	-	(755,537,601)
Green City Development JSC	25,000,077,883	-
Ecology Developing and Investment JSC	48,664,098,069	-
Vietnam Tourism in Hochiminh City JSC	804,989,983	(380,479,432)
Thang Long Real Estate Trading Investment JSC	340,504,206	-
Mega Global Corporation Investment and Trading JSC	-	(1,428,695,239)
Lucky Investment Group JSC	-	(10,337,031,070)
	<b><u>74,688,050,227</u></b>	<b><u>(18,486,605,814)</u></b>

**31. COST OF GOODS SOLD AND SERVICES RENDERED**

	<i>For the six-month period ended 30 June 2011</i>	<i>Currency: VND For the six-month period ended 30 June 2010</i>
Operating cost relating to the leasing of investment properties and provision of related services	148,559,463,145	71,875,007,295
Cost of inventory properties sold	155,767,535,792	-
Other cost of services rendered	1,250,511,634	11,123,124,399
	<b><u>305,577,510,571</u></b>	<b><u>82,998,131,694</u></b>

**32. EXPENSES FROM FINANCIAL ACTIVITIES**

	<i>For the six-month period ended 30 June 2011</i>	<i>Currency: VND For the six-month period ended 30 June 2010 (Restated)</i>
Loan interests	384,923,121,959	282,704,163,302
Realised foreign exchange losses	630,659,877	14,590,579,283
Unrealised foreign exchange losses	14,983,245,690	44,036,039,332
Provision for decline in value of investments	3,290,760,000	2,770,979,463
Allocation of bond issuance fees	21,687,880,490	19,733,825,961
Loss from investment disposal	4,633,336,170	91,246,227,466
Other expenses from financial activities	2,206,151,070	13,245,730
	<b><u>432,355,155,256</u></b>	<b><u>455,095,060,537</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**33. OTHER INCOME AND EXPENSES**

	<i>For the six-month period ended 30 June 2011</i>	<i>Currency: VND For the six-month period ended 30 June 2010</i>
<b>Other income</b>	<b>76,361,022,706</b>	<b>69,685,135,180</b>
Proceeds from disposal of assets	32,900,684,015	66,016,515,959
Contract penalty	18,117,058,238	1,847,740,952
Other income	25,343,280,453	1,820,878,269
<b>Other expenses</b>	<b>103,778,708,340</b>	<b>65,048,831,912</b>
Expenses from disposal of assets	37,646,000,874	64,023,134,004
Contract penalty	6,587,944,225	120,615,625
Other expenses	59,544,763,241	905,082,283
	<b><u>(27,417,685,634)</u></b>	<b><u>4,636,303,268</u></b>

**34. PRODUCTION AND OPERATING COSTS**

	<i>For the six-month period ended 30 June 2011</i>	<i>Currency: VND For the six-month period ended 30 June 2010 (Restated)</i>
Cost of sale from real estate trading	145,387,847,100	-
Labour costs	79,156,610,951	34,366,991,968
Depreciation and amortization expenses	79,009,517,934	31,488,234,849
Expenses for external services	63,910,292,371	210,848,970,309
Other expenses	515,336,502,090	350,294,678,562
	<b><u>882,800,770,446</u></b>	<b><u>626,998,875,688</u></b>

**35. CORPORATE INCOME TAX**

The statutory Corporate income tax ("CIT") rate applicable to the Company and its subsidiaries are 25% of taxable profits.

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

**35.1 CIT expense**

	<i>For the six-month period ended 30 June 2011</i>	<i>Currency: VND For the six-month period ended 30 June 2010</i>
Current CIT expense	145,301,445,413	31,640,173,401
Adjustment for over accrual of tax from prior periods per tax audit	(4,792,111,600)	(14,688,723,920)
Deferred CIT expense	9,187,557,791	23,145,374,496
	<b><u>149,696,891,604</u></b>	<b><u>40,096,823,977</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**35. CORPORATE INCOME TAX (continued)**

**35.1 CIT expense (continued)**

The current tax payable is based on taxable profit for the period. The taxable profit of the Group for the period differs from the profit as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

A reconciliation between the profit before tax and taxable profit is presented below:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2011</i>	<i>For the six-month period ended 30 June 2010</i>
<b>Profit before tax</b>	<b>611,317,606,746</b>	<b>129,268,665,275</b>
<i>Adjustments to increase (decrease)</i>		
Donations	38,683,765,136	6,480,000,000
Interest expenses on loans incurred on uncontributed chartered capital	-	27,292,066,628
Amortization of goodwill	13,552,730,052	5,158,461,972
Amortization of land rental right	4,608,950,525	4,608,950,525
Dividend income	(1,558,982,600)	(1,122,782,850)
Shares in (profit)/loss of associates	(74,688,050,227)	18,486,605,814
Gain from disposal of investment	(36,757,240,098)	(48,058,314,337)
Loss from disposal of investment	23,802,882,451	91,246,227,466
Cost of apartments sold without supporting documents	29,495,358,173	-
Non-taxable gain arising from business combination	-	(111,346,558,107)
Others	(19,594,236,876)	7,028,003,961
<b>Adjusted net profit before loss carry forward and tax</b>	<b>576,466,383,903</b>	<b>129,041,326,347</b>
<i>Tax loss carried forward</i>	<i>-</i>	<i>(2,480,632,744)</i>
<b>Estimated current taxable profit</b>	<b>576,466,383,903</b>	<b>126,560,693,603</b>
<b>Estimated current Corporate Income Tax</b>	<b>145,301,445,413</b>	<b>31,640,173,401</b>
CIT payables at the beginning of the period	695,553,737,318	248,794,223,526
CIT obligation reduced from the disposal of a subsidiary, Vincom Securities JSC	1,667,834,479	-
Adjustment for over accrual of tax from previous periods per tax audit	(4,792,111,600)	(14,688,723,920)
CIT paid during the period	(755,478,455,227)	(34,122,257,569)
Provisional CIT for downpayment	55,835,859,241	-
<b>CIT payable at the end of the period</b>	<b>138,088,309,624</b>	<b>231,623,415,438</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**35. CORPORATE INCOME TAX (continued)**

**35.2 Deferred Corporate Income Tax**

The following are the deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and previous period:

	<i>Consolidated statement of financial position</i>		<i>Currency: VND Credit/(charge) to consolidated income statement</i>	
	<i>30 June 2011</i>	<i>30 December 2010</i>	<i>30 June 2011</i>	<i>30 June 2010</i>
	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>
Accrued expenses for apartments sold – Vincom	6,378,109,249	14,586,915,040	(8,208,805,791)	(3,172,761,282)
Accrued expenses for apartments sold - PFV	2,625,861,253	2,625,861,253	-	-
Deferred tax liability arising from share swap	(978,752,000)	-	(978,752,000)	-
Difference between carrying amount and tax base of Vincom Center Hanoi- Tower C	(20,244,010,198)	(20,244,010,198)	-	(19,972,613,214)
<b>Net deferred tax assets/(liabilities)</b>	<b>(12,218,791,696)</b>	<b>(3,031,233,905)</b>		
<b>Deferred tax (expense)/income</b>			<b>(9,187,557,791)</b>	<b>(23,145,374,496)</b>
<i>Reflected in the consolidated financial statements as follows:</i>				
Deferred tax assets	6,378,109,249	14,586,915,040		
Deferred tax liabilities	(18,596,900,945)	(17,618,148,945)		
Deferred tax (liabilities)/asset, net	(12,218,791,696)	(3,031,233,905)		

# Vincom Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

## 36. TRANSACTIONS WITH RELATED PARTIES

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

Related parties	Relationship	Sales to related parties (office leasing, sales of apartments)	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 Investment and Development 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

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## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued) as at and for the six-month period ended 30 June 2011

### 36. TRANSACTIONS WITH RELATED PARTIES (continued)

Related parties	Relationship	Other receipts from/payables to related parties	Borrowings from related parties	Principal repayment to related parties	Principal repayment from related parties	Interest receivable from related parties	Interest payable to related parties	Interest paid to related parties	Dividend receivables from related parties
		VND	VND	VND	VND	VND	VND	VND	VND
Vietnam Tourism JSC in Hochiminh city Ecology Developing and Investment JSC	Associate	(376,569,041,710)	-	-	-	-	-	-	-
Vinpearl 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
Hanoi Electronics Corporation Green City Development JSC	Major shareholder of Sai Dong Land	-	-	583,000,000,000	-	-	(137,001,666,500)	119,000,000,000	-
Vinpearl Hoi An JSC	Associate Common owners	(220,000,000,000)	-	-	(212,000,000,000)	19,919,444,545	-	-	-
		-	-	-	-	19,258,400,000	-	-	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

*Terms and conditions of transactions with related parties*

During the six-month period ended 30 June 2011, loans provided by the Company to its related parties bear interest rate of 18% per annum. The Company also received loans from its related party which bear interest rates ranging from 17.5% per annum to 18% per annum.

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

Amounts due from related parties at the balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amount VND</i>
<b>Receivables</b>			
Ecology Investment and Development JSC	Associate	Disposal of shares in Vincham JSC	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 City	Receivable for apartment rental	20,269,097,550
Pham Thieu Hoa	Board member of Royal City, Sai Dong Land 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	Disposal of Lucky Investment Group	223,200,000,000
			<b>718,713,836,284</b>
<b>Short-term loans (Note 7)</b>			
Vinpearl Hoi An JSC	Common owners	Lending	177,800,000,000
		Lending	35,000,000,000
Ecology Developing and Investment JSC	Associate	Lending	89,610,000,000
			<b>302,410,000,000</b>
<b>Long-term loan (Note 17.2)</b>			
Hanoi Electronics Corporation	Major shareholder of Sai Dong Land	Lending	150,000,000,000
			<b>150,000,000,000</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

Details of borrowings and interest due 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>
<b>Short-term loans and interest receivables</b>						
Vinpearl Hoi An JSC	Common owners	177,800,000,000	18%	1 September 2011	21 million shares in Vietnam Investment Group JSC of Ms Pham Thu Huong	91,070,372,300
Ecology Developing and Investment JSC		35,000,000,000	18%	28 December 2011	None	5,302,986,100
	Associate	89,610,000,000	18%	19 August 2011	None	64,090,603,500
		<u>302,410,000,000</u>				<u>160,463,961,900</u>
<b>Long-term loan and interest receivable</b>						
Hanoi Electronics Corporation	Major shareholder of Sai Dong Land	150,000,000,000	10%	23 March 2015	None	19,375,000,067
		<u>150,000,000,000</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>
<b>Payables</b>			
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 purchase of residential properties at Royal city project	150,000,000
		Downpayment for purchase of residential properties at Times City project	3,454,996,400
		Downpayment for purchase of residential properties at Royal City project	11,397,424,488
		Downpayment for purchase of residential properties at Royal City project	5,338,265,705
Family members of management			<u>248,830,030,051</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**36. TRANSACTIONS WITH RELATED PARTIES (continued)**

***Other related party transactions***

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

	<i>For the six-month period ended 30 June 2011</i>	<i>For the six-month period ended 30 June 2010</i>
	<i>VND</i>	<i>VND</i>
Salaries and bonus	1,689,838,299	900,651,406
Termination benefit	389,399,000	-
	<b><u>2,079,237,299</u></b>	<b><u>900,651,406</u></b>

**37. EARNINGS PER SHARE**

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

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

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

	<i>For the six-month period ended 30 June 2011</i>	<i>Currency: VND For the six-month period ended 30 June 2010 (Restated)</i>
Net profit after tax attributable to ordinary equity holders for basic earnings	349,350,043,957	105,670,040,767
Interest on convertible bonds	-	2,990,220,000
<b>Net profit attributable to ordinary equity holders adjusted for the effect of dilution</b>	<b><u>349,350,043,957</u></b>	<b><u>108,660,260,767</u></b>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	367,395,200	337,411,625
<i>Effect of dilution:</i>		
Convertible bonds	-	30,634,542
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b><u>367,395,200</u></b>	<b><u>368,046,167</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**38. COMMITMENTS AND CONTINGENCIES**

**Capital commitments relating to investment activities**

No.	Name of investee	Investee's chartered capital	The Company's capital contribution commitment		Actual contributed capital	Committed contributed capital
			Amount	%	Amount	Amount
		VND	VND		VND	VND
1	Royal City Development and Investment JSC	3,200,000,000,000	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 VND 963 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 VND 10,035 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.

Royal City, a subsidiary, has entered into a number of contracts relating to the development of the Royal City project at 74 Nguyen Trai, Thuong Dinh Ward, Thanh Xuan District, Hanoi. The outstanding commitment on these contracts amounted to approximately VND 3,402 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 VND 6,806 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:

	30 June 2011
	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>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**38. COMMITMENTS AND CONTINGENCIES (continued)**

**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:

	30 June 2011 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
	<b><u>831,698,423,817</u></b>

**Other commitments**

*Commitments under Business Co-operation Contract with Hanel*

In accordance with Business Co-operation Contract dated 5 September 2009 between Vincom JSC and Hanoi Electric Company ("Hanel"), the Company agreed to provide a loan of VND 660 billion to Hanel within the first 5 years since the date Hanel completes each stage of capital contribution to the joint stock company and Hanel will use this loan to contribute to the chartered capital of Sai Dong Urban Development and Investment JSC, a company which was newly established to develop a potential real estate project in Long Bien District, Hanoi.

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

*Commitments under Business Co-operation Contract with 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 119.3 billion provided that the total land area handover is not less than 30,000m<sup>2</sup>. 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 VND 248.6 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 VND 125.4 billion.

The Group also commits to hand over 3,000m<sup>2</sup> land site in the Times City project to Hanosimex.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**38. COMMITMENTS AND CONTINGENCIES (continued)**

**Other commitments (continued)**

*Commitments under Business Co-operation Contract with Vinataba*

In accordance with the Business Co-operation Contract dated 4 August 2008 between seven (7) parties, including Vincom Joint Stock Company, Vietnam National Tobacco Corporation ("Vinataba"), Thang Long Vinataba Limited Company ("Vinataba Thang Long"), Vinataba Trading & Investment Joint Stock Company ("Vinataba JSC"), Dream House Trading - Construction Corporation ("Dream house"), Vietnam Engineering & Construction Joint Stock Company ("Vinaenco") and An Binh Real Estate Development & Investment JSC ("An Binh"), the Company committed to transfer a deposit of VND 105 billion to develop a project at 235 Nguyen Trai Street, Thanh Xuan District, Hanoi. In addition, the Company also committed to compensate VND 105 billion to Vinataba and Vinataba Thang Long for site clearance, relocation and construction of new production facility. This committed amount will be converted to Vincom's equity interest in Thang Long Real Estate Trading Investment Joint Stock Company ("Thang Long"), a company established to develop of the real estate project at 235 Nguyen Trai Street, Thanh Xuan District, Hanoi. As at 30 June 2011, the committed amount under this agreement is VND 192.5 billion.

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

In accordance with agreement on compensation signed between Vincom JSC and Hanoi Transportation Service Company ("Hanoi Transerco") and Overseas Vietnamese Entrepreneur JSC ("DVT") on 30 July 2010, the Company agreed to compensate VND 128 billion to Hanoi Transerco for site clearance for the real-estate project located at 69B Thuy Khue, Tay Ho District, Hanoi, Vietnam. As at 30 June 2011, the committed amount under this agreement is VND 88.7 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 City Towers to the Bank for Investment and Development of Vietnam ("BIDV"). In accordance with the Transfer Agreement, the Company has also committed to transfer the ownership of the following investment properties to BIDV on 20 July 2052:

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**38. COMMITMENTS AND CONTINGENCIES (continued)**

**Other commitments (continued)**

*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 trial party agreements with the buyers of the apartments at Royal City project and with the banks (who are the lenders for these customers to finance for their apartment purchase). The key terms and conditions of these agreements are as follow:

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

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

The Group is exposed to normal business risks according to the changes of market interest rates, currency exchange rates and commodities prices. The Group does not hold or issue derivative financial instruments. Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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

**Market risk**

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

The sensitivity analyses in the following sections relate to the position as at 30 June 2011 and 31 December 2010.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

***Market risk (continued)***

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

In calculating the sensitivity analyses, management assumed that the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2011 and 31 December 2010

***Interest rate risk***

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

***Interest rate sensitivity***

The following table demonstrates the sensitivity to a reasonably possible change in interest rates expected over the following financial year. With all other variables held constant, the Group's profit after tax and its equity is affected through the impact on floating rate borrowings as follows:

	<i>Increase/decrease in basis points</i>	<i>Currency: VND Effect on profit before tax</i>
<b>For the six-month period ended 30 June 2010</b>		
VND	245	(54,680,267,628)
VND	-245	54,680,267,628
<b>For the six-month period ended 30 June 2011</b>		
VND	370	(123,843,796,675)
VND	-370	123,843,796,675

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior periods.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

*Foreign currency risk*

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

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

*Foreign currency sensitivity*

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in VND/USD rate	Effect on profit before tax VND
<b>For the six-month period ended 30 June 2010</b>	+3%	(67,962,004,034)
	-3%	67,962,004,034
<b>For the six-month period ended 30 June 2011</b>	+7%	(13,056,981,908)
	-7%	13,056,981,908

*Equity price risk*

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

At the reporting date, the exposure to listed equity securities at fair value was VND1,196,550,206,000 (2010: VND402,388,797,600). A decrease of 10% on the stock market index could have an impact of approximately VND1,458,405,000 (2010: VND40,364,361,450) on the Group's profit after tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Group's profit after tax by VND 1,458,405,000 (2010: VND39,989,460,501).

*Credit risk*

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

*Trade receivables*

Customer credit risk is managed when the Group generally requires the tenants to pay deposits for the rental of the office and retail areas. On the sale of residential properties, the Group also requires progressive downpayment of the contract value, or requires collateral for the outstanding receivable amount.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

*Bank deposits*

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. The Group's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 40.

*Lending activities*

This credit risk is managed by the Group's finance function when the Group would normally obtain collaterals on outstanding loan balance.

The Group's management evaluate all financial assets are neither past due nor impaired as they related to recognized and creditworthy counterparties except for the following receivable and loan balances which are past due but not impaired as at 30 June 2011:

	<i>Total</i>	<i>Past due but not impaired</i>			
		<i>&lt; 30 days</i>	<i>31–90 days</i>	<i>91–120 days</i>	<i>&gt; 120 days</i>
30 June 2011	422,786,236,086	363,431,280,641	22,877,989,401	8,649,522,712	27,827,443,332
31 December 2010	105,825,293,323	59,214,307,770	20,339,028,286	7,944,240,684	18,327,716,583

*Liquidity risk*

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

The Group monitors its liquidity risk by arranging long-term credit facilities from the banks so that these loans will be settled once the Group completes the development of its properties and put these properties into commercial operations. There is no undrawn credit facility as at 30 June 2011.

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

*Currency: VND*

	<i>On demand</i>	<i>Less than 3 months</i>	<i>From 3 to 12 months</i>	<i>From 1 to 5 years</i>	<i>Total</i>
<b>31 December 2010</b>					
Loans and borrowings and future interest	180,083,073,494	444,093,212,286	1,854,278,918,204	12,567,321,162,479	15,045,776,366,463
Trade payables	112,761,461,723	-	-	-	112,761,461,723
Other payables and accrued expenses	314,991,905,614	-	144,853,266,883	-	459,845,172,497
	<u>607,836,440,831</u>	<u>444,093,212,286</u>	<u>1,999,132,185,087</u>	<u>12,567,321,162,479</u>	<u>15,618,383,000,683</u>
<b>30 June 2011</b>					
Loans and borrowings and future interest	197,917,573,073	590,777,036,484	1,463,772,260,035	10,060,686,846,343	12,313,153,715,935
Trade payables	67,067,950,862	-	-	-	67,067,950,862
Other payables and accrued expenses	556,200,428,185	2,217,313,051,772	263,670,948,784	-	3,037,184,428,741
	<u>821,185,952,120</u>	<u>2,808,090,088,256</u>	<u>1,727,443,208,819</u>	<u>10,060,686,846,343</u>	<u>15,417,406,095,538</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

***Commodity price risk***

The Group exposes to commodity price risk in relation to purchase of certain commodities. The Group manages its commodity price risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, production plans and inventories level. The Group does not employ any derivative financial instruments to hedge its commodity price risk.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

40. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Carrying amount				Fair value	
	30 June 2011		31 December 2010		30 June 2011	31 December 2010
	Cost	Provision	Cost	Provision		
<b>Financial assets</b>						
Listed and unlisted shares	854,465,575,880	(12,923,712,000)	322,753,535,776	(10,242,485,500)	1,196,550,206,000	402,388,797,600
Trade receivable	1,003,736,014,130	(28,398,000)	2,605,627,558,066	(12,954,092,169)	1,003,707,616,130	2,592,673,465,897
Receivable from related parties	718,713,836,284	-	1,057,520,388,255	-	718,713,836,284	1,057,520,388,255
Other receivable	1,470,500,023,128	-	375,163,105,605	-	1,470,500,023,128	375,163,105,605
Other current assets	4,076,964,732,679	-	3,507,580,301,194	-	4,076,964,732,679	3,507,580,301,194
Other non-current financial assets	433,648,188,766	-	562,187,258,183	(1,362,527,211)	433,648,188,766	560,824,730,972
Cash and cash equivalents	191,691,290,275	-	1,515,008,976,492	-	191,691,290,275	1,515,008,976,492
<b>Total</b>	<b>8,749,719,661,142</b>	<b>(12,952,110,000)</b>	<b>9,945,841,123,571</b>	<b>(24,559,104,880)</b>	<b>9,091,775,893,262</b>	<b>10,011,159,766,015</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

40. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	Carrying amount		Fair value		Currency: VND
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	
<b>Financial liabilities</b>					
Loans and borrowings	8,899,603,203,826	10,361,999,220,275	8,844,041,094,248	10,297,854,943,944	
Convertible bonds	-	1,122,667,600,000	-	1,444,421,355,000	
Payable to related parties	248,830,030,051	13,036,801,679	248,830,030,051	13,036,801,679	
Trade payable	67,067,950,862	112,761,461,723	67,067,950,862	112,761,461,723	
Other current liabilities	2,876,417,887,675	682,609,308,094	2,876,417,887,675	682,609,308,094	
<b>Total</b>	<b>12,091,919,072,414</b>	<b>12,293,074,391,771</b>	<b>12,036,356,962,836</b>	<b>12,550,683,870,440</b>	

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumption were used to estimate the fair values:

- ▶ Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ▶ Long-term fixed-rate and variable-rate receivables/borrowings are evaluated at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR.
- ▶ Fair value of quoted securities and debt instruments is based on market value at the reporting date.
- ▶ For financial instruments and other investments whose fair value can not be reliably determined due to the absence of an active market for these instruments, the fair value is assumed to be the carrying value of these instruments.
- ▶ For loans/borrowings from banks and other financial liabilities whose fair value can not be reliably determined due to the absence of an active market for these instruments, the fair value is assumed to be the carrying value of these instruments.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**41. RESTATEMENT OF THE INTERIM CONSOLIDATED INCOME STATEMENT FOR SIX-MONTH PERIOD ENDED 30 JUNE 2010 DUE TO THE RETROSPECTIVE APPLICATION OF VAS 10**

As disclosure in Note 3.1.2, for the six-month period ended 30 June 2011, the Group has adopted Vietnamese Accounting Standard No. 10 - Effects of Changes in Foreign Exchange Rates (the "VAS 10"). The Company also applied this change in accounting policy retrospectively for the corresponding figures as presented in the consolidated income statements for the six-month period ended 30 June 2010. The effect of the retrospective application of this accounting policy is as follows:

	<i>As previously stated</i>	<i>Restatement</i>	<i>Currency: VND Restated amount</i>
<b>For the six-month period ended 30 June 2010</b>			
Expenses from financial activities	(411,059,021,205)	(44,036,039,332)	(455,095,060,537)
Net profit before tax	173,304,704,607	(44,036,039,332)	129,268,665,275
Current corporate income tax expense	(27,960,459,314)	11,009,009,833	(16,951,449,481)
Net profit after tax	122,198,870,797	(33,027,029,499)	89,171,841,298

**42. SIGNIFICANT EVENTS**

In accordance with the Annual General Shareholder Meeting minute dated 26 February 2011, the General Shareholder has approved the dividend declaration of VND2,300,000,000,000 from the profit of year ended 31 December 2010. This dividend amount has not been paid out as of the date of these interim consolidated financial statements.

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

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

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

On 8 June 2011, the Group has acquired an additional 20% equity interest in Viettronics Land Company Limited, an existing subsidiary, and thereby, increasing its equity interest in this subsidiary to 84%.

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

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

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

During the period from 1 January 2011 to 1 June 2011, the Bondholders of the US\$ 6% convertible bonds have converted US\$59,200,000 into 18,524,656 ordinary shares of the Company.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2011

**43. EVENTS AFTER THE INTERIM CONSOLIDATED BALANCE SHEET 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%.

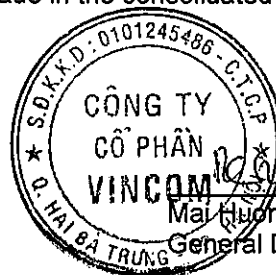
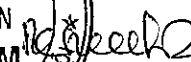
On 12 July 2011, the Group has completed the issue of USD 40,000,000 6% convertible loans that have a term of 11 months.

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%.

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



\_\_\_\_\_  
Nguyen Thi Thu Hien  
Chief Accountant


  
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Mai Huong Noi  
General Director

26 August 2011