



Vincom Joint Stock Company

Report of the Board of Management and
Audited Consolidated Financial Statements

31 December 2008

Vincom Joint Stock Company

CONTENTS

| | <i>Pages</i> |
|--|--------------|
| REPORT OF THE BOARD OF MANAGEMENT | 1 - 3 |
| AUDITED CONSOLIDATED FINANCIAL STATEMENTS | |
| Independent auditors' report | 4 |
| Consolidated balance sheet | 5 - 6 |
| Consolidated income statement | 7 - 8 |
| Consolidated cash flow statement | 9 - 10 |
| Notes to the consolidated financial statements | 11 - 49 |

Vincom Joint Stock Company

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Vincom Joint Stock Company ("the Company") presents its report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2008.

THE COMPANY

Vincom Joint Stock 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 has also received subsequent amended business licenses with the latest, and 15th amended business license, dated 9 April 2008.

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

The principal activities of the Company are to construct and provide retail outlets, commercial offices for lease, 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.

During 2008, the Company has commenced the construction of a commercial centre, hotel, office, apartment building and underground carpark complex (the Eden project) in District 1, Ho Chi Minh city. The Company received the investment certificate for the Eden project from the Ho Chi Minh City People's Committee for this project at the end of 2007.

The Company's subsidiary, PFV Investment and Trading JSC, also commenced the construction of Vincom Park Place in 2008, a project located at the HH1 land area, 114 Mai Hac De Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi.

The Company's head office is located at 11th Floor, Vincom City Towers, 191 Ba Trieu Street, Hai Ba Trung District, Hanoi, Vietnam and its branch is located at 182 Nguyen Van Thu Street, Dakao ward, District 1, Ho Chi Minh City, Vietnam.

RESULTS AND DIVIDENDS

The net profit after tax attributable to the shareholders of the Company for the year ended 31 December 2008 was VND124,725,100,943 (2007: VND269,350,462,935).

The Company has not declared dividends for the year 2008.

EVENTS SINCE THE BALANCE SHEET DATE

On 5 January 2009, due to the difficulties in business operations and the impact of the world financial crisis on the Vietnamese economy, the Board of Management of Vincom Securities JSC, a subsidiary, issued Resolution No. 01/09/HDQT-VSC approving the restructure plan for Vincom Securities JSC and for its finance and insurance business units. Accordingly, the total employees of Vincom Securities JSC will be reduced by 111 persons. The estimated amount of provision related to the planned retrenchment, which will also be paid in 2009, of VND11.2 billions has not been provided for in the financial statements as at and for the year ended 31 December 2008.

Vincom Joint Stock Company

REPORT OF THE BOARD OF MANAGEMENT (continued)

THE BOARD OF MANAGEMENT

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

| | | |
|----------------------|----------|-------------------------------|
| Le Khac Hiep | Chairman | |
| Pham Nhat Vuong | Member | |
| Pham Thuy Hang | Member | |
| Nguyen Thi Huong Lan | Member | |
| Nguyen Dieu Linh | Member | Appointed on 30 November 2008 |
| Pham Van Khuong | Member | Appointed on 30 November 2008 |
| Pham Hong Linh | Member | Resigned on 30 November 2008 |
| Tran Le Khanh | Member | Resigned on 30 November 2008 |

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to accept reappointment.

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

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

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

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

The Company's management has confirmed to the Board of Management that the Company has complied with the above requirements in preparing the accompanying consolidated financial statements.

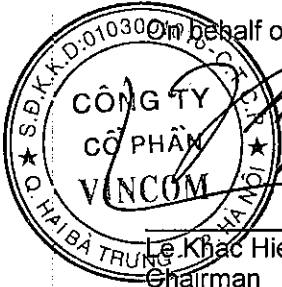
Vincom Joint Stock Company

REPORT OF THE BOARD OF MANAGEMENT (continued)

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements which give a true and fair view of the financial position of the Company as at 31 December 2008 and of the results of its operations and cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.

On behalf of the Board of Management: ✓



Le Khắc Hiệp
Chairman

Hanoi, Vietnam

25 March 2009

Reference: 60729565/13540668

INDEPENDENT AUDITORS' REPORT

To: The Board of Management of Vincom Joint Stock Company

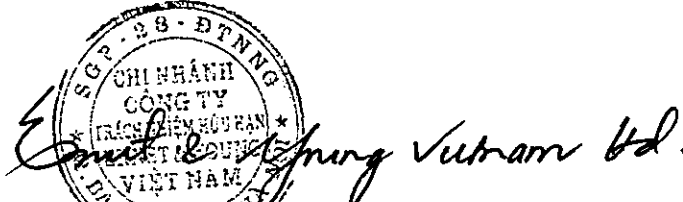
We have audited the consolidated balance sheet of Vincom Joint Stock Company ("the Company") and its subsidiaries as at 31 December 2008, and the related consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto ("the consolidated financial statements") as set out on pages 5 to 49. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Basis of opinion

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company as at 31 December 2008 and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.




Ernst & Young Vietnam Ltd.

Ernst & Young Vietnam Limited



Tran Dinh Cuong
General Director
Registered Auditor
Certificate No. 0135/KTV



Bui Anh Tuan
Auditor-in-charge
Registered Auditor
Certificate No. N.1067/KTV

Hanoi, Vietnam

25 March 2009

CONSOLIDATED BALANCE SHEET
as at 31 December 2008

Currency: VND

| Code | ASSETS | Notes | Ending balance | Beginning balance |
|------------|---|-------------|--------------------------|--------------------------|
| 100 | A. CURRENT ASSETS | | 2,373,803,866,870 | 2,534,874,317,399 |
| 110 | I. Cash | 6 | 26,847,972,877 | 497,490,168,093 |
| 111 | 1. Cash on hand | | 496,268,403 | 987,572,339 |
| 112 | 2. Cash at banks | | 26,351,704,474 | 496,502,595,754 |
| 120 | II. Short-term investments | | 1,630,484,681,839 | 1,749,776,649,600 |
| 121 | 1. Short-term investments | 14.1 | 1,646,607,967,589 | 1,749,776,649,600 |
| 129 | 2. Provision for short-term investments | 14.1 | (16,123,285,750) | - |
| 130 | III. Current receivables | | 489,253,962,382 | 281,477,358,117 |
| 131 | 1. Trade receivables | | 6,775,778,447 | 2,625,287,470 |
| 132 | 2. Advances to suppliers | | 122,754,931,703 | 22,414,277,558 |
| 133 | 3. Receivables from related parties | 31 | 118,513,109,043 | 16,706,017,994 |
| 135 | 4. Other receivables | 7 | 241,210,143,189 | 239,731,775,095 |
| 140 | IV. Inventories | 8 | 25,179,877,914 | 135,595,299 |
| 141 | 1. Inventories | | 25,179,877,914 | 135,595,299 |
| 149 | 2. Provision for obsolete inventories | | - | - |
| 150 | V. Other current assets | | 202,037,371,858 | 5,994,546,290 |
| 151 | 1. Short-term prepaid expenses | | 8,913,015,589 | 1,555,364,209 |
| 152 | 2. Value added tax deductibles | | 32,827,451,241 | 213,494,065 |
| 154 | 3. Tax and other receivable from state | | - | 4,620,000 |
| 158 | 4. Other current assets | 9 | 160,296,905,028 | 4,221,068,016 |
| 200 | B. NON-CURRENT ASSETS | | 3,647,762,533,053 | 644,949,437,277 |
| 220 | I. Fixed assets | | 2,257,962,229,768 | 116,442,069,679 |
| 221 | 1. Tangible fixed assets | 10 | 27,301,430,368 | 12,387,535,504 |
| 222 | Cost | | 37,353,336,482 | 19,426,183,330 |
| 223 | Accumulated depreciation | | (10,051,906,114) | (7,038,647,826) |
| 227 | 2. Intangible fixed assets | 11 | 99,139,107,317 | 217,396,443 |
| 228 | Cost | | 100,007,328,061 | 326,099,071 |
| 229 | Accumulated amortisation | | (868,220,744) | (108,702,628) |
| 230 | 3. Construction in progress | 12 | 2,131,521,692,083 | 103,837,137,732 |
| 240 | II. Investment properties | 13 | 245,262,979,141 | 258,673,827,910 |
| 241 | 1. Cost | | 298,443,641,529 | 298,265,805,682 |
| 242 | 2. Accumulated depreciation | | (53,180,662,388) | (39,591,977,772) |
| 250 | III. Long-term investments | 14.2 | 937,968,786,262 | 76,511,288,000 |
| 251 | 1. Investments in subsidiary | | 150,000,000 | 130,000,000 |
| 252 | 2. Investments in associates, jointly controlled entities | | 700,917,786,262 | - |
| 258 | 3. Other long-term investments | | 236,901,000,000 | 76,381,288,000 |
| 260 | IV. Other long-term assets | | 206,568,537,882 | 193,322,251,688 |
| 261 | 1. Long-term prepaid expenses | 15 | 171,529,401,566 | 24,711,139,688 |
| 268 | 2. Other long-term assets | 16 | 35,039,136,316 | 168,611,112,000 |
| 270 | TOTAL ASSETS | | 6,021,566,399,923 | 3,179,823,754,676 |

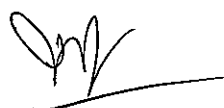
CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2008

Currency: VND

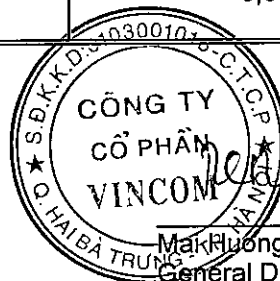
| Code | RESOURCES | Notes | Ending balance | Beginning balance |
|------------|---|-----------------|--------------------------|--------------------------|
| 300 | A. LIABILITIES | | 4,399,063,295,606 | 1,246,686,428,991 |
| 310 | I. Current liabilities | | 1,102,096,340,176 | 199,769,014,557 |
| 312 | 1. Short-term loans | 17 | 622,000,000,000 | - |
| | 2. Trade payables | | 60,547,572,489 | 1,065,476,070 |
| 313 | 3. Advances from customers | | 766,170,861 | 851,445,893 |
| 314 | 4. Statutory obligations | 18 | 10,190,514,801 | 58,183,461,558 |
| 315 | 5. Payables to employees | | 3,507,420,908 | 2,064,719,027 |
| 316 | 6. Accrued expenses | 19 | 275,269,261,793 | 24,401,466,293 |
| 317 | 7. Payables to related parties | | 433,028,602 | |
| 319 | 8. Other payables | 20 | 129,382,370,722 | 113,202,445,716 |
| 330 | II. Non-current liabilities | | 3,296,966,955,430 | 1,046,917,414,434 |
| 333 | 1. Other long-term liabilities | 21 | 129,327,480,430 | 46,241,772,470 |
| 334 | 2. Long-term loans | 22 | 3,165,800,000,000 | 1,000,000,000,000 |
| 336 | 3. Provision for severance allowance | | 1,839,475,000 | 675,641,964 |
| 400 | B. OWNERS' EQUITY | | 1,622,503,104,317 | 1,933,137,325,685 |
| 410 | I. Capital | 23.1 | 1,497,934,279,555 | 1,842,705,052,935 |
| 411 | 1. Contributed chartered capital | 23.1 | 1,199,831,560,000 | 800,000,000,000 |
| 412 | 2. Share premium | 23.1 | 773,354,590,000 | 773,354,590,000 |
| 420 | 3. Treasury shares | 23.3 | (869,327,434,323) | - |
| 420 | 4. Supplementary capital reserve fund | 23.1 | 4,165,459 | - |
| 420 | 5. Financial reserve fund | 23.1 | 4,165,459 | - |
| 420 | 6. Undistributed earnings | 23.1 | 394,067,232,960 | 269,350,462,935 |
| 420 | II. Minority interest | 23.1, 34 | 124,568,824,762 | 90,432,272,750 |
| 440 | TOTAL LIABILITIES AND OWNERS' EQUITY | | 6,021,566,399,923 | 3,179,823,754,676 |

OFF BALANCE SHEET ITEMS

| ITEMS | Ending balance | Beginning balance |
|---------------------------|----------------|-------------------|
| Foreign currencies (US\$) | 3,356 | 38,493 |



Nguyen Thi Thu Hien
Chief Accountant



Mark Ruong Noi
General Director

25 March 2009

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2008

Currency: VND

| Code | ITEMS | Notes | Current year | Previous year |
|------|--|-------|-------------------|------------------|
| 01 | 1. Revenue from sale of goods and rendering of services | 24.1 | 239,180,299,742 | 180,242,544,074 |
| 02 | 2. Deductions | 24.1 | - | (47,309,090) |
| 10 | 3. Net revenue from sale of goods and rendering of services | 24.1 | 239,180,299,742 | 180,195,234,984 |
| 11 | 4. Costs of goods sold and services rendered | 26 | (60,710,735,035) | (52,133,045,589) |
| 20 | 5. Gross profit from sale of goods and rendering of services | | 178,469,564,707 | 128,062,189,395 |
| 21 | 6. Income from financial activities | 24.2 | 413,039,174,035 | 262,312,749,373 |
| 22 | 7. Expenses from financial activities | 27 | (316,016,721,330) | (22,192,129,646) |
| 23 | - In which: Interest expenses | | (279,310,334,841) | (21,211,308,650) |
| 24 | 8. Selling expenses | | (13,423,575,248) | (13,482,819,793) |
| 25 | 9. General and administrative expenses | | (120,526,070,670) | (30,075,537,578) |
| 30 | 10. Operating profit | | 141,542,371,494 | 324,624,451,751 |
| 31 | 11. Other income | 28 | 23,605,330,736 | 8,706,882,341 |
| 32 | 12. Other expenses | 28 | (10,181,673,183) | (109,215,753) |
| 40 | 13. Other profit | | 13,423,657,553 | 8,597,666,588 |

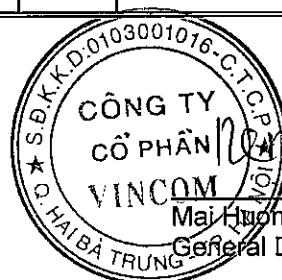
CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2008

Currency: VND

| Code | ITEMS | Notes | Current year | Previous year |
|------|--|-------|------------------|------------------|
| 50 | 14. Share in profits of associates | 25 | 1,802,295,649 | - |
| 60 | 16. Net profit before tax | | 156,768,324,696 | 333,222,118,339 |
| 70 | 17. Current corporate income tax expense | 30.1 | (30,773,535,251) | (64,425,416,671) |
| 80 | 18. Net profit after tax | | 125,994,789,445 | 268,796,701,668 |
| 80.1 | 19. Minority interest | 34 | (1,269,688,502) | 553,761,267 |
| 80.2 | 18. Profit after tax attributable to the shareholders of the Company | | 124,725,100,943 | 269,350,462,935 |
| | 21. Basis earnings per share | 32 | 1,091 | 2,940 |



Nguyen Thi Thu Hien
Chief Accountant



Mai Hương Noi
General Director

25 March 2009

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2008

Currency: VND

| Code | ITEMS | Notes | Current year | Previous year |
|------|--|-----------|---------------------|---------------------|
| | I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 01 | Net profit before tax | | 156,768,324,696 | 333,222,118,339 |
| | Adjustments for: | | | |
| 02 | Depreciation and amortisation | 10,11, 13 | 20,397,461,421 | 16,722,298,837 |
| 03 | Provision for decline in value of investments | 14.1 | 16,123,285,750 | - |
| 04 | Gain on disposal of fixed assets | 28 | (16,147,445,119) | - |
| 05 | Unrealised foreign exchange losses | 24.2,27 | 1,489,440,540 | - |
| 06 | Gain from disposal of equity investments in other entities | 24.2 | (48,098,846,707) | (212,282,139,045) |
| 07 | Share of profit in associates | 25 | (1,802,295,649) | - |
| 08 | Interest expenses | 27 | 279,310,334,841 | 21,211,308,650 |
| 09 | Interest income | 24.2 | (364,842,883,240) | (48,934,404,113) |
| 10 | Goodwill amortization | | 13,998,382,755 | 117,696,598 |
| 11 | Operating income before changes in working capital | | 57,195,759,288 | 110,056,879,266 |
| 12 | (Increase)/decrease in receivables | | (89,263,495,221) | 1,600,260,840 |
| 13 | Increase in inventories | | (25,044,282,615) | (56,214,815) |
| 14 | Increase in payables | | 309,615,032,273 | 13,492,664,778 |
| 15 | Increase in prepaid expenses | | (34,602,320,329) | (14,047,688,647) |
| 16 | Interest paid | | (11,419,905,354) | - |
| 16 | Enterprise income tax paid | 30.1 | (79,391,570,936) | (7,297,500,000) |
| 17 | Other cash inflows from operating activities | | - | 313,746,133 |
| 18 | Other cash outflows from operating activities | | (188,685,174,187) | - |
| 20 | Net cash flows (used in) from operating activities | | (61,595,957,081) | 104,062,147,555 |
| | II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 21 | Purchase and construction of fixed assets and other long-term assets | | (2,150,359,327,624) | (109,650,463,387) |
| 22 | Proceeds from disposals of equity investments in other entities | | - | 231,689,213,760 |
| 23 | Proceeds from disposals of fixed assets | | 18,000,000,000 | - |
| 24 | Loans provided to related parties | | (3,607,495,681,922) | (1,390,416,782,600) |
| 25 | Collection of loans provided to related parties | | 3,655,889,963,933 | (332,710,400,000) |
| 26 | Payments for equity investments in other entities | | (602,934,403,894) | (49,105,455,000) |
| 27 | Acquisition of a subsidiary, net of cash acquired | | - | (2,386,865,008) |
| 28 | Interest received | | 246,329,774,197 | 48,934,404,113 |
| 29 | Long-term deposits for investment purposes | | (153,000,000,000) | (168,611,112,000) |
| 30 | Net cash flows used in investing activities | | (2,593,569,675,310) | (1,772,257,460,122) |

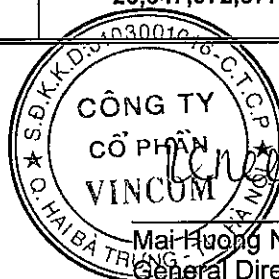
CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2008

Currency: VND

| Code | ITEMS | Notes | Current year | Previous year |
|------|--|-------|--------------------------|--------------------------|
| | III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 31 | Proceeds from issuance of ordinary shares | 23.1 | 399,831,560,000 | 1,259,854,590,000 |
| 32 | Payments for treasury shares | 23.3 | (869,327,434,323) | - |
| 33 | Proceeds from bond issuance and borrowings | | 2,622,000,000,000 | 1,048,117,000,000 |
| 34 | Loan repayment | | - | (48,117,000,000) |
| 35 | Capital contribution from minority shareholders | | 32,019,311,498 | 90,451,000,000 |
| 36 | Dividends paid | | - | (281,021,424,294) |
| 40 | Net cash flows from financing activities | | 2,184,523,437,175 | 2,069,284,165,706 |
| 50 | Net cash flows during the year | | (470,642,195,216) | 401,088,853,139 |
| 60 | Cash at the beginning of the year | | 497,490,168,093 | 96,401,314,954 |
| 61 | Impact of exchange rate fluctuation | | - | - |
| 70 | Cash at the end of the year | 6 | 26,847,972,877 | 497,490,168,093 |



Nguyen Thi Thu Hien
Chief Accountant



Mai Hương Noi
General Director

25 March 2009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 31 December 2008

1. CORPORATE INFORMATION

Vincom Joint Stock 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 has also received subsequent amended business licenses with the latest, and 15th amended business license, dated 9 April 2008.

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

The principal activities of the Company are to construct and provide retail outlets, commercial offices for lease, 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.

During 2008, the Company has commenced the construction of a commercial centre, hotel, office, apartment building and underground carpark complex (the Eden project) in District 1, Ho Chi Minh city. The Company received the investment certificate for the Eden project from the Ho Chi Minh City People's Committee for this project at the end of 2007.

The Company's subsidiary, PFV Investment and Trading JSC, also commenced the construction of Vincom Park Place in 2008, a project located at the 114 Mai Hac De Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi.

The Company's head office is located at 11th Floor, Vincom City Towers, 191 Ba Trieu Street, Hai Ba Trung District, Hanoi, Vietnam and its branch is located at 182 Nguyen Van Thu Street, Dakao ward, District 1, Ho Chi Minh City, Vietnam.

Board of Management

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

| | | |
|----------------------|----------|-------------------------------|
| Le Khac Hiep | Chairman | |
| Pham Nhat Vuong | Member | |
| Pham Thuy Hang | Member | |
| Nguyen Thi Huong Lan | Member | |
| Nguyen Dieu Linh | Member | Appointed on 30 November 2008 |
| Pham Van Khuong | Member | Appointed on 30 November 2008 |
| Pham Hong Linh | Member | Resigned on 30 November 2008 |
| Tran Le Khanh | Member | Resigned on 30 November 2008 |

Corporate structure

The Company has the following subsidiaries:

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

PFV is previously a two-member limited liability company established in accordance with the Business License No. 0102022275 issued by the Hanoi's Department of Planning and Investment on 15 September 2005, and subsequently converted to PFV Investment and Trading Joint Stock Company in accordance with the Business License No. 0103025765 issued by the Hanoi's Department of Planning and Investment on 17 September 2008, with a chartered capital of VND 600 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

1. CORPORATE INFORMATION (continued)

Corporate structure (continued)

PFV's principal business activities are to construct and lease commercial offices and high-end apartment units. PFV's registered office is at 11th floor, Vincom City Towers, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam. The Company holds 94.41% equity interest in this subsidiary as at 31 December 2008.

▶ *Vincom Securities Joint Stock Company ("VSC")*

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

VSC's principal business activities are to provide brokerage service, self-trading of securities, underwriting and investment advisory service. VSC's head office is located at 4th floor, Vincom City Towers, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam. The Company holds 70% equity interest in this subsidiary as at 31 December 2008.

In 2008, the Company disposed all of its equity interest in Hung Viet Trading and Advertising Joint Stock Company, another subsidiary.

As at 31 December 2008, the Company also has investments in associates as presented in Notes 14.2.

2. BASIS OF PREPARATION

2.1 *Accounting Standards and System*

The consolidated financial statements of the Company, which are expressed in Vietnam Dong, are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per the:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

2. BASIS OF PREPARATION (continued)

2.2 *Registered accounting documentation system*

The registered accounting documentation system is the General Journal.

2.3 *Fiscal year*

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

2.4 *Accounting currency*

The Company maintains its accounting records in VND.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Basis of consolidation*

The consolidated financial statements comprise the accounts of Vincom Joint Stock Company, the parent company, and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments have been made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated in full. Unrealized losses are eliminated unless the transactions provide evidence of impairment of the asset transferred.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

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

3.2 *Significant accounting judgments, estimates and assumptions*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.2 Significant accounting judgments, estimates and assumptions (continued)***Goodwill arising from acquisition of subsidiaries and associates*

In the process of applying the accounting policies, management has made judgments which have a significant effect on the amounts recognised in the consolidated financial statements, including judgment used in determining the goodwill arising from the acquisition of shares in subsidiary, i.e. PFV JSC, and in associates, such as Vietnam Tourism (in Ho Chi Minh city) JSC, Hai Phong Land Development & Investment JSC and BIDV - PP JSC. The Company's management has made the decision to acquire the shares in these companies primarily based on the fixed term land use rights that the acquirees are, or will be, holding. It is management's judgment that the fair value of these fixed term land use rights can not be reliably measured at the acquisition date due to reasons such as there are no active market to determine the fair value of these land use rights, or there are no previous similar transactions relating to the transfer of land use rights with similar terms, or because the transfer of such fixed term land use rights are not exercisable due to legal restrictions. Beside it, management is of the view that the fair value of the identifiable assets, liabilities and contingent liabilities of these acquirees approximate their net book value on acquisition date. Based on these judgments, goodwill arising from the acquisition of these companies' shares was determined based on their net book value on acquisition date.

3.3 Cash

Cash comprises cash on hand and cash in banks.

3.4 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 less anticipated costs to complete, estimated marketing and selling expenses and after making provision, if any.

The perpetual method is used to record the costs of inventories, which are valued as follows:

| | |
|------------------------|--|
| Construction materials | cost of purchase on first in first out basis |
|------------------------|--|

3.5 Inventories provision

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

3.6 Receivables

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 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 capitalised and expenditures for maintenance and repairs are charged to the consolidated income statement. When tangible fixed assets are sold or retired, their cost and accumulated depreciation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

3.8 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

3.9 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:

| | |
|--------------------|------------|
| Building | 25 years |
| Motor vehicles | 8 years |
| Other equipment | 3-10 years |
| Computer softwares | 5 years |

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

3.10 Business combinations and goodwill

Business combinations are accounted for using the purchase method. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized a period of ten (10) years.

3.11 Investments in associates

Investments in associates are consolidated using the equity method of accounting. Associates are companies over which the Company has significant influence and voting rights of between 20% to 50%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Investments in associates (continued)

Under the equity method, the investment is initially recorded at cost and the carrying value is increased or decreased to recognize the Company's share of the profits or losses in the associate after the date of acquisition. Goodwill arising from the acquisition of the associate is reflected in the carrying value of the investment and is amortised over a period of ten (10) years. The Company's shares in profit or loss of the associates are reflected in the consolidated income statement.

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

3.12 Investment in securities and other investments

Investments in securities and other investments are stated at their acquisition cost.

Short-term investments comprise holdings of listed shares and unlisted shares which are readily realisable and are intended to be held for not more than one year, and short-term loans.

Long-term investments comprise listed and unlisted shares which are intended to be held for more than one year, and long-term loans.

3.13 Provision for decline in value of securities investments and other investments

Provision for the diminution in value is created representing the excess of the acquisition cost over the market value at the reporting date.

3.14 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 Company.

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 the compensation and clearance costs for the land site at 191, Ba Trieu Street, which is used for the construction of the Vincom City Towers. The Company has been granted with the Land Use Right Certificate No. 00547/QSDD by the Hanoi People's Committee on 22 January 2003.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *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.

3.15 *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 year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of a particular asset are capitalized as part of the cost of the asset.

3.16 *Long-term deferred expenses*

Long-term deferred expenses include goodwill arising on the acquisition of subsidiaries, long-term prepaid land rental, bond issuance expenses and other long-term expenses that bring future economic benefits for more than one year period.

Goodwill is allocated over a period of 10 years while other long-term deferred 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.

3.17 *Payable and accrual*

Payable and accrual are recognised for amount to be paid in the future for goods and services received, whether or not billed to the Company.

3.18 *Accrual for severance pay*

The termination payment to employee is provided at the end of each reporting year for all employees who have more than 12 months in service at the rate of one-half of the monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance.

3.19 *Foreign currency transactions*

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

3.20 *Treasury shares*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval by the General Shareholders' meeting.

3.22 Customers' deposits

Payments received from customers for leasing of apartment units in the future based on contractual terms which do not meet the conditions for revenue recognition are recognized and presented as "other long term payables" in the liability section of the consolidated balance sheet.

3.23 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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 Company's entitlement as an investor to receive the dividend is established.

3.24 Taxation

Current tax

Current 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 by the balance sheet date.

Deferred tax

Deferred tax is provided using the balance sheet 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Taxation (continued)

Deferred tax (continued)

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

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

4. SEGMENT INFORMATION

Information by business segment and geographic segment is presented below:

| | Lease of investment property and related services VND | Investment activities VND | Others VND | Total VND |
|--|--|------------------------------|--------------------------|--------------------------|
| 1. Net revenue | 232,883,827,740 | 412,941,729,947 | 6,393,916,090 | 652,219,473,777 |
| 2. Depreciation and allocated expenses | 160,218,709,610 | 311,705,571,830 | 38,752,820,843 | 510,677,102,283 |
| 3. Profit from operating activities | 72,665,118,130 | 101,236,158,117 | (32,358,904,753) | 141,542,371,494 |
| 4. Total costs incurred to purchase fixed assets | 2,123,841,698,024 | - | 21,629,074,316 | 2,145,470,772,340 |
| 5. Segment assets | 3,020,325,207,192 | 2,958,012,078,309 | 43,229,114,422 | 6,021,566,399,923 |
| Total assets | 3,020,325,207,192 | 2,958,012,078,309 | 43,229,114,422 | 6,021,566,399,923 |
| 7. Segment liabilities | 2,450,396,972,469 | 1,942,922,397,076 | 5,743,926,061 | 4,399,063,295,606 |
| Total liabilities | 2,450,396,972,469 | 1,942,922,397,076 | 5,743,926,061 | 4,399,063,295,606 |
| | | Hanoi VND | Ho Chi Minh city VND | Total VND |
| 1. Net revenue | | 649,022,515,732 | 3,196,958,045 | 652,219,473,777 |
| 2. Depreciation and allocated expenses | | 491,300,691,861 | 19,376,410,422 | 510,677,102,283 |
| 3. Profit from operating activities | | 157,721,823,871 | (16,179,452,377) | 141,542,371,494 |
| 4. Total costs incurred to purchase fixed assets | | 353,894,984,687 | 1,791,575,787,653 | 2,145,470,772,340 |
| 5. Segment assets | | 3,941,321,655,725 | 2,080,244,744,198 | 6,021,566,399,923 |
| Total assets | | 3,941,321,655,725 | 2,080,244,744,198 | 6,021,566,399,923 |
| 7. Segment liabilities | | 2,369,639,477,705 | 2,029,423,817,901 | 4,399,063,295,606 |
| Total liabilities | | 2,369,639,477,705 | 2,029,423,817,901 | 4,399,063,295,606 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

5. ACQUISITION OF MINORITY INTEREST

Investment in PFV Investment and Trading JSC

Vincom Joint Stock Company is a founding shareholder of PFV Investment and Trading JSC with original equity interest of 93%. PFV is in the process of developing a 25 storey office and apartment building complex on a 4,000 m2 land area (the HH1 area), located at 114 Mai Hac De, Le Dai Hanh ward, Hai Ba Trung district, Hanoi. PFV has commenced this project in June 2008.

By the end of 2007, when this project was about to commence and while PFV has not increased its chartered capital, the Company sold 10% equity interest in PFV to a foreign investor to raise the necessary capital to meet capital expenditure requirements for this project, such as for payment of land rental, for advance/deposits to the contractors, etc. The selling price was set based on the project's expected profitability, with reference to the marketable price of unlisted shares of certain companies that are developing similar projects.

In mid 2008, the Company re-acquired all PFV shares from this foreign investor, and those held by other local minority shareholders. The acquisition was made based on the following reasons:

- ▶ at that time, the project was being implemented, the real estate market was still active and market prices for high end apartment units were very high. At this stage, contracts with customers and cash collection were expected to be carried out by the end of 2008. The Company expected a quick, profitable return on this investment and as a result, decided to re-acquire these PFV shares;
- ▶ at that time, the Company had surplus fund from increase in chartered capital and from bank credit facilities and as a result, the acquisition of PFV shares was made to increase shareholdings in PFV for profit maximisation.

Goodwill arising from the acquisition of minority interest in PFV was calculated as follows:

| | <i>Recognized on acquisition</i> | <i>Carrying value</i> |
|---|--------------------------------------|--------------------------|
| | VND | VND |
| Cash | 2,425,083,836 | 2,425,083,836 |
| Accounts receivables | 24,078,760,110 | 24,078,760,110 |
| Loans | 419,500,000,000 | 419,500,000,000 |
| Other current assets | 1,344,433,632 | 1,344,433,632 |
| Fixed assets | 149,957,453 | 149,957,453 |
| Construction in progress | 272,772,762,544 | 272,772,762,544 |
| Current liabilities | <u>(262,281,667,604)</u> | <u>(262,281,667,604)</u> |
| Net assets on acquisition date | 457,989,329,971 | 457,989,329,971 |
| Share in net assets (at 11.29%) | 51,721,166,796 | |
| Goodwill arising on acquisition (see Note 15) | <u>131,725,993,204</u> | |
| Total consideration | <u>183,447,160,000</u> | |

The total consideration of VND 183,447,160,000 for the acquisition of all minority interest was paid in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

6. CASH

| | <i>Ending balance</i> VND | <i>Beginning balance</i> VND |
|---------------|------------------------------|---------------------------------|
| Cash on hand | 496,268,403 | 987,572,339 |
| Cash in banks | 26,351,704,474 | 496,502,595,754 |
| | <u>26,847,972,877</u> | <u>497,490,168,093</u> |

7. OTHER RECEIVABLES

| | <i>Ending balance</i> VND | <i>Beginning balance</i> VND |
|---|-------------------------------|---------------------------------|
| Receivables from disposal of shares in subsidiaries, associates and other investments | 199,900,000,000 | 239,670,080,240 |
| Receivables from capital contributions paid on behalf of other parties | 33,529,412,000 | - |
| Receivables from disposal of tangible fixed assets | 2,323,783,100 | - |
| Other receivables | 5,456,948,089 | 61,694,855 |
| | <u>241,210,143,189</u> | <u>239,731,775,095</u> |

Receivables from disposal of shares in subsidiaries, associates, and other investments in 2008 comprise of receivables from disposal of shares held in Hai Phong Land Development & Investment JSC, VFG Investment JSC, and the investment in Thanh Nien Newspaper. These receivables are non-interest bearing and unsecured.

Receivables from capital contributions paid on behalf of other parties include the capital contributions of Tan Hoang Minh Company in BIDV-PP JSC and BIDV-Land JSC, which were advanced by the Company. These receivables are non-interest bearing and unsecured.

Receivables from disposal of tangible fixed assets is the outstanding receivable balance arising from the disposal of machinery and equipment of the gaming center on the 5th floor, Vincom City Towers.

8. INVENTORIES

| | <i>Ending balance</i> VND | <i>Opening balance</i> VND |
|------------------------|------------------------------|-------------------------------|
| Steel for Eden project | 24,606,401,547 | - |
| Other materials | 573,476,367 | 135,595,299 |
| | <u>25,179,877,914</u> | <u>135,595,299</u> |

9. OTHER CURRENT ASSETS

| | <i>Ending balance</i> VND | <i>Opening balance</i> VND |
|-----------------------|-------------------------------|-------------------------------|
| Advances to employees | 153,227,275,638 | 4,207,328,016 |
| Other receivables | 7,069,629,390 | 13,740,000 |
| | <u>160,296,905,028</u> | <u>4,221,068,016</u> |

Advances to employees relate mainly to costs that will be incurred in carrying out preparatory activities for the Company's investment projects, such as the acquisition of housing units for land compensation and site clearance for the Eden Project in Ho Chi Minh City.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

10. TANGIBLE FIXED ASSETS

| | Buildings & structures | Machinery & equipment | Motor vehicles | Office equipment | Other | Total |
|----------------------------------|------------------------|-----------------------|----------------|------------------|---------------|----------------|
| | VND | VND | VND | VND | VND | VND |
| Cost: | | | | | | |
| Beginning balance | - | 5,184,955,283 | 7,080,485,596 | 7,160,742,451 | - | 19,426,183,330 |
| Increase during the year | 5,494,000,000 | 7,495,099,215 | 3,561,176,543 | 5,779,495,174 | 1,796,814,386 | 24,126,585,318 |
| <i>In which:</i> | | | | | | |
| <i>Newly purchased</i> | - | 7,495,099,215 | 3,561,176,543 | 5,779,495,174 | 1,796,814,386 | 18,632,585,318 |
| <i>Other additions</i> | 5,494,000,000 | - | - | - | - | 5,494,000,000 |
| Decreases | - | 4,888,555,228 | 562,250,000 | 748,626,938 | - | 6,199,432,166 |
| <i>In which:</i> | | | | | | |
| <i>Sold, disposed</i> | - | 4,888,555,228 | - | 32,181,819 | - | 4,920,737,047 |
| <i>Other decreases</i> | - | - | 562,250,000 | 716,445,119 | - | 1,278,695,119 |
| Ending balance | 5,494,000,000 | 7,791,499,270 | 10,079,412,139 | 12,191,610,687 | 1,796,814,386 | 37,353,336,482 |
| Accumulated depreciation: | | | | | | |
| Beginning balance | - | 2,795,342,368 | 2,229,887,691 | 2,013,417,767 | - | 7,038,647,826 |
| Additions | 219,760,000 | 2,067,921,134 | 1,128,879,891 | 2,574,737,197 | 318,152,640 | 6,309,450,862 |
| Decreases | - | 3,036,000,403 | 109,069,265 | 151,122,906 | - | 3,296,192,574 |
| <i>In which:</i> | | | | | | |
| <i>Sold, disposed</i> | - | 3,036,000,403 | - | 625,757 | - | 3,036,626,160 |
| <i>Other decreases</i> | - | - | 109,069,265 | 150,497,149 | - | 259,566,414 |
| Ending balance | 219,760,000 | 1,827,263,099 | 3,249,698,317 | 4,437,032,058 | 318,152,640 | 10,051,906,114 |
| Net carrying amount: | | | | | | |
| Beginning balance | - | 2,389,612,915 | 4,850,597,905 | 5,147,324,684 | - | 12,387,535,504 |
| Ending balance | 5,274,240,000 | 5,964,236,171 | 6,829,713,822 | 7,754,578,629 | 1,478,661,746 | 27,301,430,368 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

11. INTANGIBLE FIXED ASSETS

| | <i>Computer software</i> | <i>Land use rights</i> | <i>Total</i> |
|----------------------------------|--------------------------|------------------------|------------------------|
| | <i>VND</i> | <i>VND</i> | <i>VND</i> |
| Cost: | | | |
| Beginning balance | 326,099,071 | - | 326,099,071 |
| Additions | 6,739,866,418 | 92,941,362,572 | 99,681,228,990 |
| <i>In which:</i> | | | |
| <i>Newly purchased</i> | 6,739,866,418 | - | 6,739,866,418 |
| <i>Other additions</i> | - | 92,941,362,572 | 92,941,362,572 |
| Sold, disposed | - | - | - |
| Ending balance | <u>7,065,965,489</u> | <u>92,941,362,572</u> | <u>100,007,328,061</u> |
| Accumulated amortisation: | | | |
| Beginning balance | 108,702,628 | - | 108,702,628 |
| Additions | 759,518,116 | - | 759,518,116 |
| Decreases | - | - | - |
| Ending balance | <u>868,220,744</u> | <u>-</u> | <u>868,220,744</u> |
| Net carrying amount: | | | |
| Beginning balance | <u>217,396,443</u> | <u>-</u> | <u>217,396,443</u> |
| Ending balance | <u>6,197,744,745</u> | <u>92,941,362,572</u> | <u>99,139,107,317</u> |

Land use rights pertain to the property acquired in Vinpearl, Nha Trang City in accordance with Land Use Rights Certificate No.T-00598 and T-00597 issued by Khanh Hoa People's Committee on 21 December 2006. The cost of the land use rights are not amortised since the right to use the land is for an indefinite term.

12. CONSTRUCTION IN PROGRESS

Construction in progress comprises of:

| | <i>Ending balance</i> | <i>Opening balance</i> |
|--|--------------------------|------------------------|
| | <i>VND</i> | <i>VND</i> |
| Eden Project | 1,774,417,508,950 | 1,099,391,239 |
| Vincom Park Place Project | 354,482,883,481 | 3,329,576,559 |
| Yen Phu - Ho Tay Project | 1,155,966,508 | - |
| Long Bien Golf Course Project | 1,034,307,362 | 934,307,362 |
| 74 Nguyen Trai Project | 392,525,782 | - |
| Ho Tay Entertainment Park Project | 16,500,000 | 16,500,000 |
| Thong Nhat Park Project | 11,000,000 | 11,000,000 |
| 22 Hai Ba Trung (Ha Noi) Project | 11,000,000 | 11,000,000 |
| House and Land Use Rights in Vinpearl, Nha Trang | - | 97,710,914,000 |
| Oracle accounting software | - | 724,448,572 |
| | <u>2,131,521,692,083</u> | <u>103,837,137,732</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

12. CONSTRUCTION IN PROGRESS (continued)

Capital expenditures for the Eden Project includes construction costs, land compensation and site clearance costs incurred relating to the Eden project, which is a commercial centre, hotel, office, apartment building 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) and at a land lot at Le Thanh Ton street and the underground area of the existing Chi Lang park. The Company received the investment certificate for the Eden Project from the Ho Chi Minh City People's Committee in 2007.

The Company has also received Land Use Right Certificate No. T00374/2a from the Ho Chi Minh City's Department of Resources and Environment on 12 November 2008, for a land area of 7,371.3 square meters (which is a part of the Eden Project) for a term of up to 20 February 2058.

The Company's subsidiary, PFV Investment and Trading JSC, also commenced the construction of Vincom Park Place in 2008, a project located at the 114 Mai Hac De Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi. PFV has obtained land use right certificate No.CQ-940 for a land area of 3,609 square meters for a term of 50 years starting from 1 March 2007 from the Ha Noi People's Committee on 15 May 2008 for this project.

13. INVESTMENT PROPERTIES

| | <i>Land use right</i> | <i>Buildings</i> | <i>Machinery & equipment</i> | <i>Total</i> |
|----------------------------------|-----------------------|------------------------|--------------------------------------|------------------------|
| | <i>VND</i> | <i>VND</i> | <i>VND</i> | <i>VND</i> |
| Cost: | | | | |
| Beginning balance | 39,637,792,343 | 173,866,859,546 | 84,761,153,793 | 298,265,805,682 |
| Additions | - | - | 258,216,221 | 258,216,221 |
| <i>In which</i> | | | | |
| <i>Newly purchased</i> | - | - | 258,216,221 | 258,216,221 |
| Decreases | - | - | 80,380,374 | 80,380,374 |
| Ending balance | <u>39,637,792,343</u> | <u>173,866,859,546</u> | <u>84,938,989,640</u> | <u>298,443,641,529</u> |
| Accumulated depreciation: | | | | |
| Beginning balance | 3,306,552,262 | 11,545,552,468 | 24,739,873,042 | 39,591,977,772 |
| Additions | 835,198,491 | 3,903,815,579 | 8,849,670,546 | 13,588,684,616 |
| Decreases | - | - | - | - |
| Ending balance | <u>4,141,750,753</u> | <u>15,449,368,047</u> | <u>33,589,543,588</u> | <u>53,180,662,388</u> |
| Net carrying amount: | | | | |
| Beginning balance | <u>36,331,240,081</u> | <u>162,321,307,078</u> | <u>60,021,280,751</u> | <u>258,673,827,910</u> |
| Ending balance | <u>35,496,041,590</u> | <u>158,417,491,499</u> | <u>51,349,446,052</u> | <u>245,262,979,141</u> |

The Company has not assessed the market value of its investment properties, the Vincom City Towers at 191, Ba Trieu Street, Hanoi, as at 31 December 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

14. INVESTMENTS

14.1. Short-term investments

| | <i>Ending balance</i> | <i>Closing balance</i> |
|--|---------------------------------|---------------------------------|
| | <i>VND</i> | <i>VND</i> |
| Loans to shareholders and to the investees | 1,583,551,541,000 | 1,635,158,782,600 |
| Short term investment in securities | 63,056,426,589 | 114,617,867,000 |
| Total short-term investment | 1,646,607,967,589 | 1,749,776,649,600 |
| Provision for short-term investment | (16,123,285,750) | - |
| | <u>1,630,484,681,839</u> | <u>1,749,776,649,600</u> |

Short-term investments include loans and trusted investments to the Company's shareholders, to the shareholders of the subsidiaries, and to the companies in which Vincom holds an equity stake. Further details on these loans and trusted investments are disclosed in Note 31.

Short-term investments in securities represents investment in listed and unlisted shares. The provision for short-term investment is the difference between the carrying value of this investment and the market value as at 31 December 2008.

14.2. Long-term investments

| | <i>Notes</i> | <i>Ending balance</i> | <i>Beginning balance</i> |
|--|--------------|-------------------------------|------------------------------|
| | | <i>VND</i> | <i>VND</i> |
| Investments in subsidiary | 14.2.1 | 150,000,000 | 130,000,000 |
| Investment in associates and jointly controlled operations | 14.2.2 | 700,917,786,262 | - |
| Other long-term investments | 14.2.3 | 236,901,000,000 | 76,381,288,000 |
| Total long term investments | | 937,968,786,262 | 76,511,288,000 |
| Provision for long-term investments | | - | - |
| | | <u>937,968,786,262</u> | <u>76,511,288,000</u> |

14.2.1 Investment in subsidiary

This represents the capital contributed to Tay Tang Long Co., Ltd. ("Tay Tang Long"), a limited liability company incorporated in the Socialist Republic of Vietnam under the Business License No. 4102064444 issued by the Ho Chi Minh City's Department of Planning and Investment on 21 August 2008. This company has a chartered capital of VND 300 billion.

The principal activities of Tay Tang Long are to invest in real estate, to provide lease of construction machineries and equipment, to operate hotels and other services. The registered office address of the company is at 3T, Ton Duc Thang, Ben Nghe ward, District 1, Ho Chi Minh City, Vietnam.

The Company holds 90% voting rights in this subsidiary indirectly through its subsidiary, i.e. PFV Investment and Trading JSC.

The Company did not consolidate the financial position and results of operations of Tay Tang Long in its consolidated financial statements as at 31 December 2008 and for the year then ended since the operations of Tay Tang Long during the year were minimal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

14. INVESTMENTS (continued)

14.2. Long-term investments (continued)

14.2.2 Investment into associates and jointly controlled operations

| | Notes | Ending balance VND |
|---|-------|-------------------------------|
| Vietnam Tourism Joint Stock Company in Ho Chi Minh City Business co-operation contract with Vietnam Tourism Joint Stock Company in Ho Chi Minh City | i | 64,317,042,010 |
| Vinpearl Hoi An Tourism - Investment Joint Stock Company | ii | 24,222,484,075 |
| Ha Noi Investment and General Services Joint Stock Company | iii | 60,465,690,397 |
| Mega Global Corporation Investment and Trading Joint Stock Company | iv | 100,033,356,250 |
| BIDV-Land Joint Stock Company | v | 68,798,720,568 |
| BIDV-PP Joint Stock Company | vi | 70,960,670,708 |
| Foreign Trade Concrete Company Limited | vii | 47,695,392,174 |
| Hai Phong Land Development and Investment Joint Stock Company | viii | 9,465,406,176 |
| Hanoi Mechanical Limited Company | ix | 171,042,355,904 |
| Vincom Construction Consultancy and Management Joint Stock Company | x | 72,916,668,000 |
| | | <u>11,000,000,000</u> |
| | | <u>700,917,786,262</u> |

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

Vietnam Tourism previously is a state-owned company which was privatised in early 2007 in accordance with Business Licence No. 4103006768 dated 18 May 2007 with a chartered capital of VND31,500,000,000. Its principal activities are to provide office building for rent and tourism services. Vietnam Tourism's head office is located in 234 Nam Ky Khoi Nghia, Distric 3, Ho Chi Minh city, Vietnam. The Company holds 21% equity interest in this associate as at 31 December 2008.

The carrying value of the investment in Vietnam Tourism under the equity method as at 31 December 2008 is as follows:

| | 31 December 2008 VND |
|---|------------------------------|
| Beginning balance | 68,910,400,000 |
| Increase during the year | - |
| Share in profit after tax during the year | 1,437,363,425 |
| Goodwill amortization | <u>(6,030,721,415)</u> |
| Ending balance | <u>64,317,042,010</u> |

Vietnam Tourism Joint Stock Company has been granted with the land use right for a land area of 2,146 square meters at 180-192 Nguyen Cong Tru street, Nguyen Thai Binh ward, District 1, with the term of 49 years (upto 14 November 2057) in accordance with the land use right certificate No.T00533 dated 2 January 2008. Vietnam Tourism has obtained the approval for the construction and development of an office building for lease on this land area and is in the process of finalizing legal procedures for commencement of this project.

Apart from the shares held in Vietnam Tourism, Vincom Joint Stock Company also entered in a business co-operation contract with Vietnam Toursim for the implementation of the afore-mentioned project. Total capital contribution under the business co-operation contract as at 31 December 2008 amounted to VND24,222,484,075.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

14. INVESTMENTS (continued)

14.2. Long-term investments (continued)

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

(ii) *Vinpearl Hoi An Tourism - Investment Joint Stock Company ("Vinpearl Hoi An")*

Vinpearl Hoi An is a joint stock company established in accordance with Business License No. 3303070380 dated 1 April 2008, and the second amended business license dated 27 August 2008, with a registered chartered capital of VND 300 billion. Its principal activities are to operate hotel and to provide other hospitality services. The registered office address of this company is at Phuoc Hai, Cua Dai Commune, Hoi An, Quang Nam Province. The Company holds 20% equity interest in this associate as at 31 December 2008.

Vinpearl Hoi An has right to use a land area of 77,588 square metre for a term of up to 25 December 2053 as per Land Use Right Certificate No. T-01354 issued by Quang Nam People's Committee on 28 August 2008. Such land area will be used for the development of an eco-tourist resort, namely Vinpearl Hoi An, at Phuoc Hai, Cua Dai Commune, Hoi An, Quang Nam Province. The construction work for this project has commenced in October 2008.

The carrying value of the investment in Vinpearl Hoi An under the equity method as at 31 December 2008 is as follows:

| | <i>31 December 2008</i> |
|---|------------------------------|
| | VND |
| Beginning balance | - |
| Increase during the year | 60,000,000,000 |
| Share in profit after tax during the year | 465,690,397 |
| Ending balance | <u>60,465,690,397</u> |

As disclosed in Note 14.2.3, the Company also holds share subscription rights equivalent to 24% of Vinpearl Hoi An's chartered capital indirectly through its subsidiary, PFV Investment and Trading JSC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

14. INVESTMENTS (continued)

14.2. Long-term investments (continued)

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

(iii) *Hanoi Investment and General Services Joint Stock Company ("IGS")*

IGS is a joint stock company established in accordance with Business License No. 0103023290 dated 26 March 2008, and the second amended business license dated 5 September 2008, with a registered chartered capital of VND 500 billion. Its principal activities are property development, civil and industrial construction, investment in hydropower projects and other businesses. The registered office address of this company is at 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi. The Company holds 20% equity interest in this associate as at 31 December 2008.

The carrying value of the investment in IGS under the equity method as at 31 December 2008 is as follows:

| | 31 December 2008 |
|---|-------------------------------|
| | VND |
| Beginning balance | - |
| Increase during the year | 100,000,000,000 |
| Share of profit after tax during the year | 33,356,250 |
| Ending balance | <u>100,033,356,250</u> |

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

MGC is a joint stock company established in accordance with Business License No. 4103007448 dated 1 August 2007, with a registered chartered capital of VND 175 billion. Its principal activities are property development, provision of apartment and office for lease and other businesses. The registered office address of this company is at 24 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. The Company holds 20% equity interest in this associate as at 31 December 2008.

The carrying value of the investment in MGC under the equity method as at 31 December 2008 is as follows:

| | 31 December 2008 |
|---|------------------------------|
| | VND |
| Beginning balance | - |
| Increase during the year | 70,000,000,000 |
| Share in profit after tax during the year | (1,201,279,432) |
| Ending balance | <u>68,798,720,568</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

14. INVESTMENTS (continued)

14.2. Long-term investments (continued)

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

(v) *BIDV-Land Joint Stock Company ("BIDV-Land")*

BIDV-Land is a joint stock company established in accordance with Business License No. 0103021244 dated 11 December 2007, with a registered chartered capital of VND 500 billion. Its principal activities are civil and industrial construction, construction of airports, sea ports, highways and other businesses. The registered office address of this company is at 9 Dao Duy Anh Street, Phuong Lien Ward, Dong Da District, Hanoi. The Company holds 20% equity interest in this associate as at 31 December 2008.

The carrying value of the investment in BIDV-Land under the equity method as at 31 December 2008 is as follows:

| | 31 December 2008 |
|---|------------------------------|
| | VND |
| Beginning balance | - |
| Increase during the year | 70,000,000,000 |
| Share in profit after tax during the year | 960,670,708 |
| Ending balance | <u>70,960,670,708</u> |

(vi) *BIDV-PP Joint Stock Company ("BIDV-PP")*

In December 2007, the Company signed a business co-operation contract with other investors, including Bank for Investment and Development of Vietnam (BIDV), Phong Phu Textile Company (a subsidiary of Vietnam Textile Group), Tan Hoang Minh Hospitality Service and Trade Company and BIDV-Land to establish BIDV-PP, a company with a registered chartered capital of VND 300 billion. BIDV-PP will undertake the construction and development of an office, apartment and other support facilities project, for lease and for sale. This project will be implemented on the land currently occupied by 8/3 Textile Company, Dong Xuan Textile Company, with an estimated area of 22.68 hectares at 460 Minh Khai Street, Hai Ba Trung District, Hanoi. The company is in the process of obtaining necessary approval from the authorities for this project.

BIDV-PP has received Business License No. 0103022741 dated 6 March 2008. The registered office address of this company is at North Asia Building, 9 Dao Duy Anh Street, Phuong Lien Ward, Dong Da District, Hanoi. The Company holds 40% equity interest in this associate as at 31 December 2008.

The investment in BIDV-PP is stated at cost since the company is still in the preparatory stage and thus, management believes the impact of non-consolidation is minimal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

14. INVESTMENTS (continued)

14.2. Long-term investments (continued)

14.2.2 Investment into associates and jointly controlled operations (continued)

(vii) Foreign Trade Concrete Company Limited ("CFT")

CFT is a limited liabilities company 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, to carry out civil and industrial construction, to construct railway, highway and other businesses. The registered office address of this company is at 1st floor, 35-37 Chuong Duong Port, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City. The Company holds 30% equity interest in this associate as at 31 December 2008. The carrying value of the investment in CFT using under the equity method as at 31 December 2008 is as follows:

| | 31 December 2008 VND |
|---|-----------------------------|
| Beginning balance | - |
| Increase during the year | 9,000,000,000 |
| Share in profit after tax during the year | 465,406,176 |
| Ending balance | <u>9,465,406,176</u> |

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

Hai Phong Land JSC is a joint stock company established in accordance with Business License No. 0203000675 dated 5 January 2004, and the seventh ammendment on 2 June 2008, with a registered chartered capital of VND 300 billion. The registered office address of this company is at 4 Le Thanh Tong Street, May To Ward, Ngo Quyen District, Hai Phong City.

The Company initially held 80% equity interest in Hai Phong Land JSC. The acquisition of Haiphong Land JSC was made with an aim to develop an office and apartment building complex, namely the Vincom Plaza, at 4 Le Thanh Tong Street, May To Ward, Ngo Quyen District, Hai Phong City. This project is planned on a land area of 9,125 square metre granted to Hai Phong Land JSC in accordance with the Land Use Right Certificate No.T00498 issued by the Hai Phong People's Committee on 23 January 2008 and the Investment Certificate dated 10 April 2008. Since there has been certain delay in the implementation of this project (due to unfavourable market conditions), and since the Company is adjusting the project's master plan, in December 2008, the Company disposed off 31% equity interest in Hai Phong Land JSC to other partners.

As at 31 December 2008, the Company's effective equity in Hai Phong Land JSC is 49%. The management considers this as an investment in associate and the carrying value of this investment under the equity method at this date is as follows:

| | 31 December 2008 VND |
|-------------------------------|-------------------------------|
| Beginning balance | 25,000,000,000 |
| Increase during the year | 259,027,500,000 |
| Disposal during the year | (112,985,144,096) |
| <i>In which:</i> | |
| <i>Cost of the investment</i> | <i>(93,187,000,000)</i> |
| <i>Disposed goodwill</i> | <i>(19,798,144,096)</i> |
| Ending balance | <u>171,042,355,904</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

14. INVESTMENTS (continued)

14.2. Long-term investments (continued)

14.2.2 Investment into associates and jointly controlled operations (continued)

(ix) Hanoi Mechanical Limited Company ("Hameco")

In accordance with business co-operation contract signed with Hameco, Investment and General Services Joint Stock Company and Vinpearl Tourism and Trading Joint Stock Company dated 27 November 2007 relating to the development of a hotel, office, commercial center, supermarket and apartments complex for lease or for sale at 74 Nguyen Trai street, Thanh Xuan District, Ha Noi, the Company transferred an amount of VND72,916,668,000 to Hameco for the implementation of this project.

(x) Vincom Construction Consultancy and Management Joint Stock Company ("VCCM")

Vincom Construction Consultancy and Management Joint Stock Company is established in accordance with Business License No. 0103012410 dated 31 May 2006, and the second amended Business License on 2 January 2009, with a registered chartered capital of VND 55 billion. Its principal activities are to trade cultural and information products, to provide printing and related services, to act as newspaper/book agency, to organize events and other businesses. The registered office address of this company is at 191 Ba Trieu, Le Dai Hanh Ward, Hai Ba Trung District, Ha Noi. The Company holds 20% equity interest in this associate as at 31 December 2008.

Since the acquisition of VCCM shares was made on 31 December 2008, the Company does not have any share in VCCM's profit/loss for the year 2008.

14.2.3 Other long-term investments

| | Số cuối năm | Số đầu năm |
|---|------------------------|-----------------------|
| | VND | VND |
| Investment in Thanh Nien Media | 12,400,000,000 | 12,400,000,000 |
| Acquisition of share subscription rights in Vinpearl Hoi An | 102,000,000,000 | - |
| Investment in VFG Investment JSC | 50,000,000,000 | - |
| Advance for Nguyen Van Huyen project | 54,000,000,000 | - |
| Advance for Hoang Cau project | 1,000,000,000 | - |
| Advance for Nguyen Trai project | 17,500,000,000 | - |
| Other advances and deposits | - | 63,980,288,000 |
| Bonds | 1,000,000 | 1,000,000 |
| | <u>236,901,000,000</u> | <u>76,381,288,000</u> |

Other long-term investments include investment in Thanh Nien Media and VFG Investment JSC. The Company currently holds 4% equity interest in Thanh Nien Media and 10% equity interest in VFG Investment JSC.

In addition, PFV Investment and Trade Joint Stock Company, a subsidiary, also acquired share subscription rights equivalent to 24% chartered capital of Vinpearl Hoi An.

Other long-term investments also comprise of advances for other potential real estate projects in Hoang Cau, Nguyen Trai and Nguyen Van Huyen street.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

15. LONG-TERM PREPAID EXPENSES

| | <i>Ending balance</i> | <i>Beginning balance</i> |
|---|------------------------|--------------------------|
| | VND | VND |
| Bond issuance costs | 37,387,777,070 | 13,410,000,000 |
| Prepaid land rental | 6,231,052,559 | 6,374,021,257 |
| Other long-term prepaid expenses | 3,868,595,003 | 3,279,366,054 |
| Goodwill arising on acquisition of minority interest in PFV (see also Note 5) | 131,725,993,204 | - |
| <i>Less: Goodwill amortization</i> | <i>(7,684,016,270)</i> | <i>-</i> |
| Goodwill arising on acquisition of shares in Hung Viet Trading and Advertisement ISC | 1,765,448,975 | 1,765,448,975 |
| <i>Less: Goodwill amortisation</i> | <i>(250,105,272)</i> | <i>(117,696,598)</i> |
| <i>Less: Write off goodwill on disposal of shares held in Hung Viet Trading and Advertisement JSC</i> | <i>(1,515,343,703)</i> | <i>-</i> |
| | <u>171,529,401,566</u> | <u>24,711,139,688</u> |

16. OTHER LONG-TERM ASSETS

| | <i>Ending balance</i> | <i>Beginning balance</i> |
|--|-----------------------|--------------------------|
| | VND | VND |
| Pre-operating expenses of Vincom Finance Company | 14,147,209,505 | - |
| Pre-operating expenses of Vincom Fund Management Company | 570,290,501 | - |
| Pre-operating expenses of Vincom Life Insurance Company | 14,981,183,367 | - |
| Deposit to Thanh Nien Newspaper's Trade Union | - | 40,000,000,000 |
| Deposit to Hanoi Mechanical Co., Ltd. | - | 48,611,112,000 |
| Deposit for Phong Phu Textile Company | - | 80,000,000,000 |
| Others | 5,340,452,943 | - |
| | <u>35,039,136,316</u> | <u>168,611,112,000</u> |

The Company is in the process of preparing for the establishment of certain affiliates operating in the financial service sector, asset management, and life insurance. Expenses incurred in relation to the establishment of these companies are currently reported by Vincom as other long-term assets and will be charged back to these companies once they are established and fully operative.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

17. SHORT-TERM LOANS

| | <i>Ending balance</i> | <i>Beginning balance</i> |
|------------------|-------------------------------|--------------------------|
| | VND | VND |
| Short-term loans | <u>622,000,000,000</u> | <u>-</u> |
| | <u>622,000,000,000</u> | <u>-</u> |

Details of short-term loans are as bellows:

| <i>Lender</i> | <i>Ending balance</i> | <i>Maturity</i> | <i>Maturity date</i> | <i>Interest rate</i> | <i>Collateral</i> |
|---|-------------------------------|-----------------|----------------------|--|---|
| | VND | | | (%p.a.) | |
| Bank for Investment and Development of Vietnam – Quang Trung Branch | <u>622,000,000,000</u> | 4 months | 31/01/2009 | 20% for the period up to 4 November 2008 and BIDV's 12-month saving rate + 4% thereafter | 7,899,995 shares of Vincom JSC owned by the Company. Land use rights and assets to be formed on the land area at 66-68-70-72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh city. |
| | <u>622,000,000,000</u> | | | | |

18. STATUTORY OBLIGATIONS

| | <i>Ending balance</i> | <i>Beginning balance</i> |
|--|------------------------------|------------------------------|
| | VND | VND |
| Value added tax payable | - | 899,550,322 |
| Personal income tax | 1,459,310,507 | 155,994,565 |
| Enterprise income tax (see also Note 30.1) | 8,509,880,986 | 57,127,916,671 |
| Others | 221,323,308 | - |
| | <u>10,190,514,801</u> | <u>58,183,461,558</u> |

19. ACCRUED EXPENSES

| | <i>Ending balance</i> | <i>Beginning balance</i> |
|------------------------|-------------------------------|------------------------------|
| | VND | VND |
| Accrued bond interests | 267,890,429,487 | 20,027,777,900 |
| Other accrued expenses | <u>7,378,832,306</u> | <u>4,373,688,393</u> |
| | <u>275,269,261,793</u> | <u>24,401,466,293</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

20. OTHER PAYABLES

| | <i>Ending balance</i> VND | <i>Beginning balance</i> VND |
|--|-------------------------------|---------------------------------|
| Deferred revenue to be realised within the next 12 months (<i>see also note 21</i>) | 23,095,635,443 | 20,361,494,084 |
| Deposits from tenants to be refunded within the next 12 months (<i>see also note 21</i>) | 7,132,942,574 | 16,579,043,707 |
| Payables for investment activities | 96,921,500,000 | 75,096,650,000 |
| Social insurance payable | 146,560,000 | 961,093 |
| Other short-term payables | 2,085,732,705 | 1,164,296,832 |
| | <u>129,382,370,722</u> | <u>113,202,445,716</u> |

Payables for investment activities represent the outstanding amount payable relating to the acquisition of shares in Vincom Construction Consultancy and Management Joint Stock Company, of share subscription rights in Vinpearl Hoi An, and of other unlisted shares.

21. OTHER LONG-TERM LIABILITIES

| | <i>Ending balance</i> VND | <i>Beginning balance</i> VND |
|--|-------------------------------|---------------------------------|
| Deferred revenue | 53,744,015,654 | 57,946,185,557 |
| Deferred revenue to be realised within the next 12 months (<i>see also note 20</i>) | <u>(23,095,635,443)</u> | <u>(20,361,494,084)</u> |
| Deposits from tenants | 30,648,380,211 | 37,584,691,473 |
| Deposits from tenants to be refunded within the next 12 months (<i>see also note 20</i>) | <u>(7,132,942,574)</u> | <u>(16,579,043,707)</u> |
| | <u>21,913,369,694</u> | <u>8,657,080,997</u> |
| Deposits from customers for long-term lease of apartments in Vincom Park Place | 76,576,863,500 | - |
| Other long term liabilities | 188,867,025 | - |
| | <u>129,327,480,430</u> | <u>46,241,772,470</u> |

22. LONG-TERM LOANS

| | <i>Ending balance</i> VND | <i>Beginning balance</i> VND |
|------------------|---------------------------------|---------------------------------|
| Loans from banks | 165,800,000,000 | - |
| Corporate bonds | <u>3,000,000,000,000</u> | <u>1,000,000,000,000</u> |
| | <u>3,165,800,000,000</u> | <u>1,000,000,000,000</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

22. LONG-TERM LOANS (continued)

22.1 Corporate bonds

As at 31 December 2008, the Company has two classes of bonds:

- ▶ The first class of bond has a carrying value of VND1,000,000,000,000, with a maturity date of 22 October 2012 and bears interest rate of 10.3% p.a.
- ▶ The second class has a carrying value of VND2,000,000,000,000, with a maturity date of 6 May 2013 and bears initial interest rate of 16% p.a. The interest rate will be revised on an annual basis, equal to at the average 1-year saving rates of four banks, Agribank, Vietcombank, BIDV and ICB + 4%.

The Company issued these bonds to meet capital expenditure requirements for the commercial centre, hotel, office, apartment building complex and underground carpark in Ho Chi Minh city (i.e. the Eden Project).

22.2 Long-term loans from banks

| <i>Lender</i> | <i>Ending balance</i> | <i>Maturity</i> | <i>Maturity</i> | <i>Interest rate (%p.a.)</i> | <i>Collateral</i> |
|---|-------------------------------|-----------------|-----------------|---|---|
| | VND | | <i>date</i> | | |
| Bank for Investment and Development of Vietnam – Quang Trung Branch | 112,000,000,000 | 24 months | 30/7/2010 | 21% for the period up to 4 September 2008 and BIDV's 12-month saving rate + 4% thereafter | Land use rights and assets to be formed on the land area at HH1, 114 Mai Hac De Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi. |
| Bank for Investment and Development of Vietnam – Quang Trung Branch | 47,800,000,000 | 24 months | 20/8/2010 | 21% for the period up to 4 September 2008 and BIDV's 12-month saving rate + 4% thereafter | |
| Bank for Investment and Development of Vietnam – Quang Trung Branch | 6,000,000,000 | 24 months | 21/9/2010 | 21% for the period up to 4 September 2008 and BIDV's 12-month saving rate + 4% thereafter | |
| | <u>165,800,000,000</u> | | | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

23. OWNERS' EQUITY

23.1 Increase and decrease in owners' equity

| | Contributed chartered capital | Share premium | Treasury shares | Minority interests | Supplementar y capital reserve fund | Financial reserve fund | Undistributed earnings | Total |
|---|----------------------------------|-----------------|-------------------|--------------------|---|---------------------------|---------------------------|-------------------|
| | VND | VND | VND | VND | VND | VND | VND | VND |
| Previous year | | | | | | | | |
| Beginning balance | 313,500,000,000 | - | - | - | - | - | 281,021,424,294 | 594,521,424,294 |
| - Increase in capital | 486,500,000,000 | 773,354,590,000 | - | - | - | - | - | 1,259,854,590,000 |
| - Profit for the year | - | - | - | - | - | - | 269,350,462,935 | 269,350,462,935 |
| - Minority interests | - | - | - | 90,432,272,750 | - | - | - | 90,432,272,750 |
| - Dividends declared | - | - | - | - | - | - | (281,021,424,294) | (281,021,424,294) |
| Ending balance | 800,000,000,000 | 773,354,590,000 | - | 90,432,272,750 | - | - | 269,350,462,935 | 1,933,137,325,685 |
| Current year | | | | | | | | |
| Beginning balance | 800,000,000,000 | 773,354,590,000 | - | 90,432,272,750 | - | - | 269,350,462,935 | 1,933,137,325,685 |
| - Increase during the year | 399,831,560,000 | - | - | - | - | - | - | 399,831,560,000 |
| - Treasury shares | - | - | (869,327,434,323) | - | - | - | - | (869,327,434,323) |
| - Supplementary capital reserve fund | - | - | - | - | 4,165,459 | - | (4,165,459) | - |
| - Financial reserve fund | - | - | - | - | - | 4,165,459 | (4,165,459) | - |
| - Profit for the year | - | - | - | - | - | - | 124,725,100,943 | 124,725,100,943 |
| - Minority interests | - | - | - | 34,136,552,012 | - | - | - | 34,136,552,012 |
| Ending balance | 1,199,831,560,000 | 773,354,590,000 | (869,327,434,323) | 124,568,824,762 | 4,165,459 | 4,165,459 | 394,067,232,960 | 1,622,503,104,317 |

On 18 March 2008, the Company has successfully issued additional 39,983,156 ordinary shares (by exercising the right to buy 1 new share for 2 existing shares) for current shareholders at an exercise price of VND10,000/share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

23. OWNERS' EQUITY (continued)

23.2 Ordinary and convertible preference shares

| | <i>Ending balance</i> | <i>Beginning balance</i> |
|--------------------------------------|-----------------------|--------------------------|
| Number of shares registered to issue | 119,983,156 | 80,000,000 |
| Number of shares issued to public | 119,983,156 | 80,000,000 |
| <i>Ordinary shares</i> | 119,983,156 | 80,000,000 |
| <i>Convertible preference shares</i> | - | - |
| Number of outstanding shares | 119,983,156 | 80,000,000 |
| <i>Ordinary shares</i> | 119,983,156 | 80,000,000 |
| <i>Convertible preference shares</i> | - | - |

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

23.3 Treasury shares

In 2008, the Company purchased 10,655,515 of its own shares from the stock market with a total acquisition cost of VND 869,327,434,323.

In addition, Hanoi Investment and General Services JSC, an associate, also bought 2,974,990 Vincom shares in the stock market at a total acquisition cost of VND 237,815,309,110.

24. REVENUE

24.1 Revenue from rendering of services

| | <i>Current year</i> | <i>Previous year</i> |
|--|-------------------------------|-------------------------------|
| | <i>VND</i> | <i>VND</i> |
| Gross revenue | 239,180,299,742 | 180,242,544,074 |
| <i>Of which:</i> | | |
| <i>Revenue from leasing of investment properties and related service</i> | 232,883,827,740 | 158,712,702,411 |
| <i>Revenue from securities brokerage services</i> | 6,250,786,908 | - |
| <i>Other revenue</i> | 45,685,094 | 21,529,841,663 |
| Less | - | (47,309,090) |
| Sales allowance | - | (47,309,090) |
| Revenue reduction | - | - |
| Net revenue | <u>239,180,299,742</u> | <u>180,195,234,984</u> |
| <i>Of which:</i> | | |
| <i>Revenue from leasing of investment properties and related service</i> | 232,883,827,740 | 158,712,702,411 |
| <i>Revenue from securities brokerage services</i> | 6,250,786,908 | - |
| <i>Other revenue</i> | 45,685,094 | 21,482,532,573 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

24. REVENUE (continued)

24.2 Income from financial activities

| | <i>Current year</i> | <i>Previous year</i> |
|---|-------------------------------|-------------------------------|
| | VND | VND |
| Interest income | 19,384,022,683 | 21,061,594,613 |
| Interest income from loans provided to shareholders and investees | 345,458,860,557 | 27,872,809,500 |
| Realised foreign exchange gains | 95,605,591 | 23,223,563 |
| Income from investment activities | 10,225,126,351 | 91,520,489,045 |
| Gain from disposal of the shares in subsidiaries | 37,873,720,356 | 120,761,650,000 |
| Other financial income | 1,838,497 | 1,072,982,652 |
| | <u>413,039,174,035</u> | <u>262,312,749,373</u> |

Gain from disposal of shares in subsidiaries represent the income from sale of the entire equity interest in Hung Viet Trading and Advertisement JSC (a subsidiary) and from the partial disposal of Hai Phong Land Development and Investment JSC.

25. SHARES IN PROFITS OF ASSOCIATES

| | <i>Current year</i> | <i>Previous year</i> |
|--|-----------------------------|----------------------|
| | VND | VND |
| Share in profits of associate | | |
| Vietnam Tourism Joint Stock Company in Hochiminh city | 1,437,363,425 | - |
| Vinpearl Hoi An Tourism - Investment Joint Stock Company | 465,690,397 | - |
| Ha Noi Investment and General Services Joint Stock Company | 33,356,250 | - |
| Foreign Trade Concrete Company Limited | 106,494,301 | - |
| BIDV-Land Joint Stock Company | 960,670,708 | - |
| Share in loss of associate | | |
| Mega Global Corporation Investment and Trading Joint Stock Company | (1,201,279,432) | - |
| | <u>1,802,295,649</u> | <u>-</u> |

26. COST OF SERVICES RENDERED

| | <i>Current year</i> | <i>Previous year</i> |
|---|------------------------------|------------------------------|
| | VND | VND |
| Operating cost relating to the leasing of investment properties | 60,710,735,035 | 51,787,268,876 |
| Other cost of goods sold | - | 345,776,713 |
| | <u>60,710,735,035</u> | <u>52,133,045,589</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

27. EXPENSES FROM FINANCIAL ACTIVITIES

| | <i>Current year</i> | <i>Previous year</i> |
|---|-------------------------------|------------------------------|
| | VND | VND |
| Loan interests | 279,310,334,841 | 21,211,308,650 |
| Realised foreign exchange losses | 81,792,802 | 884,592,263 |
| Unrealised foreign exchange loss | 1,489,440,540 | - |
| Provision for decline in value of investments | 16,123,285,750 | - |
| Allocation of bond issuance fees | 8,917,222,930 | - |
| Other expenses from financial activities | 10,094,644,467 | 96,228,733 |
| | <u>316,016,721,330</u> | <u>22,192,129,646</u> |

28. OTHER INCOME AND EXPENSES

| | <i>Current year</i> | <i>Previous year</i> |
|--|------------------------------|-----------------------------|
| | VND | VND |
| Other income | 23,605,330,736 | 8,706,882,341 |
| Electricity back-charged to tenants | - | 2,582,190,500 |
| Contract penalties | - | 666,189,077 |
| Proceeds from disposal of gaming centers | 18,000,000,000 | - |
| Others | 5,605,330,736 | 5,458,502,764 |
| Other expenses | (10,181,673,183) | (109,215,753) |
| Expenses from disposal of gaming centers | (1,852,554,825) | - |
| Others | (8,329,118,358) | (109,215,753) |
| | <u>13,423,657,553</u> | <u>8,597,666,588</u> |

29. PRODUCTION AND OPERATING COSTS

| | <i>Current year</i> | <i>Previous year</i> |
|--------------------------------|-------------------------------|-------------------------------|
| | VND | VND |
| Raw materials | - | 28,273,009 |
| Labour costs | 37,067,795,347 | 11,073,362,798 |
| Depreciation expenses | 20,397,461,421 | 16,722,298,837 |
| Expenses for external services | 138,916,109,872 | 67,890,411,718 |
| Other expenses | 298,767,560,542 | 22,192,129,646 |
| | <u>495,148,927,182</u> | <u>117,906,476,008</u> |

30. CORPORATE INCOME TAX

In accordance with the minutes of tax assessment issued by the Hanoi's Department of Taxation on 25 December 2008, the Company is entitled to Corporate Income Tax ("CIT") incentive in pursuant to Article 1.2, Part III, Section E of Circular 128/2003-TT-BTC issued by the Ministry of Finance on 22 December 2003. Accordingly, the Company is entitled to an exemption from CIT for 2 years commencing from the first year the Company makes a taxable profit, and a 50% reduction for the following 3 years. The first profit making year was 2005 and the prevailing full CIT rate is 28%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

30. CORPORATE INCOME TAX (continued)

The tax returns filed by the Company 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.

30.1 Current Corporate Income Tax

| | <i>Current year</i> VND | <i>Previous year</i> VND |
|---------------------------------------|----------------------------|-----------------------------|
| Current corporate income tax expense | 30,773,535,251 | 64,425,416,671 |
| Deferred corporate income tax expense | - | - |
| | <u>30,773,535,251</u> | <u>64,425,416,671</u> |

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

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

| | <i>Current year</i> VND | <i>Previous year</i> VND |
|---|----------------------------|-----------------------------|
| Profit before tax | 156,768,324,696 | 333,222,118,339 |
| Adjustments to increase accounting profit | 45,744,567,195 | 5,508,144,714 |
| <i>Adjustments to increase (decrease)</i> | | |
| Donations | 11,524,280,000 | 3,589,300,000 |
| Other non-deductible expenses | 24,474,082,855 | 486,505,808 |
| Non-deductible losses | - | 1,432,338,906 |
| Goodwill amortisation | 13,998,382,755 | - |
| Unrealised foreign exchange losses | 1,489,440,540 | - |
| Dividends received | (2,030,567,219) | - |
| Shares in profits of associates | (1,802,295,649) | - |
| Others | (1,908,756,087) | - |
| Adjusted net profit before loss carry forward and tax | 202,512,891,891 | 338,730,263,053 |
| Tax loss carried forward | (2,770,856) | (227,493,705) |
| Estimated current taxable profit | 202,510,121,035 | 338,502,769,348 |
| <i>In which:</i> | | |
| Profit subject to the CIT rate of 14% | 202,510,121,035 | 217,741,119,348 |
| Profit subject to the CIT rate of 28% | - | 120,761,650,000 |
| Estimated current Corporate Income Tax | 31,389,479,475 | 64,425,416,671 |
| CIT reduction for Quarter 4/2008 for small and medium enterprises (PFV) | (615,944,224) | - |
| Estimated current Corporate Income Tax | 30,773,535,251 | 64,425,416,671 |
| CIT payables at the beginning of the year | 57,127,916,671 | - |
| CIT paid during the year | (79,391,570,936) | (7,297,500,000) |
| CIT payable at 31 December 2008 | 8,509,880,986 | 57,127,916,671 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

30. CORPORATE INCOME TAX (continued)

30.1 Current Corporate Income Tax (continued)

In accordance with Circular 030/2009/TT-BTC dated 13 January 2009 issued by the Ministry of Finance providing guidance on implementation of CIT reduction, extension of CIT payment, small and medium enterprises are entitled to reduction of 30% of CIT expenses for Quarter 4/2008. An entity is considered as a small and medium enterprise if they meet one of the two following criteria:

- ▶ Registered chartered capital in the Business License, effective before 1 January 2009, is lower than VND 10 billion; or
- ▶ Average number of employees in Quarter 4/2008 did not exceed 300, excluding temporary workers (for less than 3 months).

With the number of employees in Quarter 4/2008 ranging from 22 to 23, PFV, the Company's subsidiary, believes that it has satisfied the conditions set out for a small and medium enterprise, and thus, qualifies for 30% CIT reduction for Quarter 4/2008.

PFV has estimated CIT reduction of VND615,944,224, which is based on a profit before tax figure of VND7,332,669,331 and CIT expense of VND 2,053,147,413 for the 4th quarter, 2008.

30.2 Tax losses carried forward

The Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company has accumulated tax losses of VND3,494,758,810 available for offset against future taxable profits. Details are as follows:

| <i>Originating year</i> | <i>Can be utilized up to</i> | | <i>Tax loss amount</i> | <i>Utilized up to 31 December 2008</i> | <i>Forfeited</i> | <i>Unutilized at 31 December 2008</i> |
|-------------------------|------------------------------|-----|------------------------|--|------------------|---------------------------------------|
| | <i>to</i> | | <i>VND</i> | <i>VND</i> | <i>VND</i> | <i>VND</i> |
| 2004 | 2009 | [1] | 3,494,758,810 | - | - | 3,494,758,810 |
| | | | <u>3,494,758,810</u> | <u>-</u> | <u>-</u> | <u>3,494,758,810</u> |

[1]: Tax losses for the year 2004 have been assessed by the local tax authority.

No deferred tax assets were recognised in respect of the accumulated tax losses of VND3,393,758,810 as the Company is awaiting final decision from the tax authorities on the possibility of having these carried forward losses being utilized against future taxable profits as registered. The Company has registered the tax losses carried forward under the tax declaration submitted to tax authorities on 27 April 2007.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

31. TRANSACTIONS WITH RELATED PARTIES

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

| <i>Related parties</i> | <i>Relationship</i> | <i>Transactions</i> | <i>Current year VND</i> |
|---|---------------------|---|-----------------------------|
| Pham Nhat Vuong | Vincom shareholder | Lending | 195,000,000,000 |
| | | Loan's settlement | (195,000,000,000) |
| | | Earned interest | 15,033,708,300 |
| Pham Hong Linh | Vincom shareholder | Lending | 422,082,450,000 |
| | | Loan's settlement | (391,500,000,000) |
| | | Earned interest | 36,590,448,200 |
| Phan Thu Huong | Vincom shareholder | Loan's settlement | (300,000,000,000) |
| | | Earned interest | 25,199,583,200 |
| Pham Khac Phuong | Vincom shareholder | Lending | 60,000,000,000 |
| | | Loan's settlement | (200,534,237,500) |
| | | Earned interest | 11,420,985,700 |
| Nguyen Hai Hung | Vincom shareholder | Loan's settlement | (100,000,000,000) |
| | | Earned interest | 8,877,083,400 |
| Nguyen Thi Thu Thuy | Vincom shareholder | Loan's settlement | (100,000,000,000) |
| | | Earned interest | 6,841,666,700 |
| Nguyen Thuy Ha | Vincom shareholder | Loan's settlement | (150,000,000,000) |
| | | Earned interest | 18,152,805,600 |
| Hoang Quoc Thuy | Vincom shareholder | Lending | 40,000,000,000 |
| | | Loan's settlement | (304,624,545,100) |
| | | Earned Interest | 18,921,012,000 |
| | | Transfer of share in VFG Investment JSC | 50,000,000,000 |
| Pham Tuyet Mai | Vincom shareholder | Lending | 330,000,000,000 |
| | | Loan's settlement | (390,000,000,000) |
| | | Earned Interest | 18,728,449,700 |
| Pham Thuy Hang | Vincom shareholder | Lending | 250,000,000,000 |
| | | Loan's settlement | (250,000,000,000) |
| | | Earned Interest | 18,493,209,000 |
| Do Dong Nam | Vincom shareholder | Loan's settlement | (100,000,000,000) |
| | | Earned Interest | 5,666,666,700 |
| Hai Phong Land Development & Investment JSC | Associate | Lending | 90,000,000,000 |
| | | Earned Interest | 2,417,500,000 |
| | | Capital contribution | 328,400,000,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

31. TRANSACTIONS WITH RELATED PARTIES (continued)

| <i>Related parties</i> | <i>Relationship</i> | <i>Transactions</i> | <i>Amounts</i> VND |
|---|---------------------|---|-----------------------|
| VFG Investment JSC | Investee | Lending | 150,000,000,000 |
| | | Earned interest | 8,273,718,300 |
| | | Loan's settlement | (44,900,000,000) |
| | | Capital contribution | 100,000,000,000 |
| Vinpearl Hoi An Tourism - Investment JSC | Associate | Lending | 250,000,000,000 |
| | | Earned interest | 12,736,555,600 |
| | | Capital contribution | 60,000,000,000 |
| Mega Global Corporation Investment and Trading JSC | Associate | Lending | 180,000,000,000 |
| | | Loan's settlement | (131,500,000,000) |
| | | Earned interest | 9,239,766,700 |
| | | Capital contribution | 69,870,000,000 |
| Hanoi Investment & General Services JSC | Associate | Lending | 230,000,000,000 |
| | | Loan's settlement | (1,000,000,000) |
| | | Earned interest | 13,481,369,400 |
| | | Capital contribution | 36,000,000,000 |
| Vu Tuyet Hanh | Employee | Lending | 65,764,050,000 |
| | | Earned interest | 5,376,647,000 |
| Pham Thi Huyen Nga | Employee | Lending | 10,042,450,000 |
| | | Earned interest | 837,233,700 |
| Phung Thi My Le | Employee | Lending | 85,255,800,000 |
| | | Earned interest | 6,910,718,100 |
| Hoang Truc | Employee | Lending | 65,595,860,000 |
| | | Earned interest | 5,339,701,000 |
| Le Quoc Buu | Employee | Lending | 4,763,110,000 |
| | | Earned interest | 394,737,600 |
| Tran Quoc Khanh | Employee | Lending | 15,383,100,000 |
| | | Earned interest | 1,226,759,500 |
| Green City Development JSC | Common owners | Lending | 46,346,650,000 |
| | | Earned interest | 3,455,486,900 |
| Pham Thi Minh Anh | Vincom shareholder | Selling shares in Hung Viet | (9,000,000,000) |
| Vo Thi Phuong Thao | PFV shareholder | Selling shares in PFV | (34,248,750,000) |
| | | Buying shares in PFV | 27,399,000,000 |
| Hoang Van Son | PFV shareholder | Buying shares in PFV | 36,494,960,000 |
| Nguyen Thi An Ha | PFV shareholder | Buying shares in PFV | 36,442,900,000 |
| | | Buying shares in 3P | 5,500,000,000 |
| Mega Global Investment JSC | Common owners | Selling shares in Hai Phong Land JSC | (67,500,000,000) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

31. TRANSACTIONS WITH RELATED PARTIES (continued)

| <i>Related parties</i> | <i>Relationship</i> | <i>Transactions</i> | <i>Amounts</i> <i>VND</i> |
|----------------------------------|----------------------|---|------------------------------|
| Future Investment and Trade JSC | Common owners | Selling shares in Hai Phong Land JSC | (72,000,000,000) |
| Vu Duc The | Vincom shareholder | Selling shares in Hai Phong Land JSC | (4,774,674,039) |
| Foreign Trade Concrete Co. Ltd., | Associate | Capital contribution | 9,000,000,000 |
| | | Buying cement | 17,595,905,979 |
| Pham Thieu Hoa | Vincom shareholder | Buying shares in IGS | 64,000,000,000 |
| Vietnam Tourism JSC | Associate | Capital contribution under the business co-operation contract | 24,222,484,075 |
| | | Lending | 4,075,200,000 |
| Vo Thi Phuong Thao | PFV shareholder | Buying shares in VCCM | 5,500,000,000 |
| Vu Tuyet Hang | Vincom's shareholder | Deposit for purchase of housing units for compensation for Eden project | 156,815,031,991 |

Terms and conditions of transactions with related parties

In 2008, the loans provided by the Company to shareholders bear interest rates ranging from 14.2% to 21% p.a.

In 2008, PFV, a subsidiary, also provided loans to its shareholders at interest rates ranging from 12% to 21.7% p.a.

During the year, Vincom Securities JSC, a subsidiary, has also entered into investment management agreements with four of the Company's shareholders to invest in shares of the companies that are going to IPO. Such investment management agreements bear a fixed interest rate of 11.5% p.a. with term ranging from 3 months to 6 months.

The loans and the trust investments provided by the Company and its subsidiaries have been approved by the Board of Management during the year.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

31. TRANSACTIONS WITH RELATED PARTIES (continued)

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

| Related parties | Relationship | Balance of | Interest | Maturity | Collateral | Interest |
|--|--------------------|------------------------------|---------------|--------------------|--|--------------------------------|
| | | loans/trusted investments | rate | date | | receivable/Other receivable |
| | | VND | % p.a. | | | VND |
| Pham Hong Linh | Vincom shareholder | 30,582,450,000 | 16.3% - 14.2% | 25/6/09 | Land use right at District 9 | 2,516,111,300 |
| VFG Investment JSC | Investee | 105,100,000,000 | 16.7% - 14.2% | 22/2/09 | 21 millions shares in VFG Investment JSC | 8,273,718,300 |
| Vinpearl Hoi An Tourism - Investment JSC | Associate | 250,000,000,000 | 16.7% - 14.2% | 28/2/09 - 28/4/09 | 30 millions shares in Mega Global Investment JSC | 12,736,555,600 |
| Mega Global Corporation Investment and Trading Joint Stock Company | Associate | 48,500,000,000 | 16.7% - 14.2% | 18/2/09 | 30 millions shares in Mega Global Investment JSC | 9,239,766,700 |
| Hanoi Investment and General Service JSC | Associate | 229,000,000,000 | 16.7% - 14.2% | 19/2/09 | 25.6 millions shares in Hanoi Investment and General Service JSC | 13,481,369,400 |
| Hai Phong Land Development & Investment JSC | Associate | 90,000,000,000 | 16.7% - 14.2% | 28/4/09 | 9 millions shares in Mega Global Investment JSC | 2,417,500,000 |
| Vietnam Tourism JSC | Associate | 4,218,071,000 | 0% | Not specified | Not specified | - |
| Vu Tuyet Hanh | Employee | 65,764,050,000 | 16.3% - 14.2% | 24/6/09 | Land use right at District 9 | 5,376,647,000 |
| Pham Thi Huyen Nga | Employee | 10,042,450,000 | 16.3% - 14.2% | 24/6/09 | Land use right at District 9 | 837,233,700 |
| Phung Thi My Le | Employee | 85,255,800,000 | 16.3% - 14.2% | 24/6/09 | Land use right at District 9 | 6,910,718,100 |
| Hoang Truc | Employee | 65,595,860,000 | 16.3% - 14.2% | 26/6/09 | Land use right at District 9 | 5,339,701,000 |
| Le Quoc Buu | Employee | 4,763,110,000 | 16.3% - 14.2% | 26/6/09 | Land use right at District 9 | 394,737,600 |
| Tran Quoc Khanh | Employee | 15,383,100,000 | 16.3% - 14.2% | 2/7/09 | Land use right at District 9 | 1,226,759,500 |
| Green City Development JSC | Common owners | 46,346,650,000 | 16.3% - 14.2% | Not specified | Land use right at District 9 | 3,455,486,900 |
| Hoang Van Son | PFV shareholder | 172,500,000,000 | 21.7% - 12% | 12/12/08 - 29/6/09 | 2.5 millions shares in | 10,537,341,744 |
| Nguyen Thi An Ha | PFV shareholder | 129,500,000,000 | 21.7% - 12% | 31/1/09 - 29/9/09 | Vinpearl Tourism and | 13,106,795,555 |
| Vo Thi Phuong Thao | PFV shareholder | 40,000,000,000 | 21.7% - 15.2% | 31/1/09 | Trading JSC and 30 millions shares in VFG Investment JSC | 3,327,333,312 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

31. TRANSACTIONS WITH RELATED PARTIES (continued)

| Related parties | Relationship | Balance of | Interest | Maturity | Collateral | Interest |
|-----------------|--------------------|--------------------------|----------|----------|--|------------------------|
| | | loans/trusted | rate | date | | receivable/Other |
| | | VND | % p.a. | | receivable | |
| | | | | | VND | |
| Pham Nhat Vuong | Vincom shareholder | 50,000,000,000 | 11.50% | 16/6/09 | | 4,839,583,333 |
| Hoang Quoc Thuy | Vincom shareholder | 50,000,000,000 | 11.50% | 16/6/09 | 2,500,000 shares in Vincom owned by Mr Pham Nhat Vuong | 4,839,583,333 |
| Pham Hong Linh | Vincom shareholder | 41,000,000,000 | 11.50% | 16/6/09 | | 4,816,583,333 |
| Phan Thu Huong | Vincom shareholder | 50,000,000,000 | 11.50% | 16/6/09 | | 4,839,583,333 |
| | | <u>1,583,551,541,000</u> | | | | <u>118,513,109,043</u> |

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

| Related parties | Relationship | Transactions | Receivable (Payable) |
|--|--------------|-------------------------|----------------------|
| | | | VND |
| Trade payable | | | |
| Concrete Foreign Trade Limited Company ("CFT") | Associate | Purchase fresh concrete | <u>433,028,602</u> |
| | | | <u>433,028,602</u> |

Other related party transactions

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

| | Current year | Previous year |
|---------------------|----------------------|----------------------|
| | VND | VND |
| Salaries and bonus | 1,409,700,000 | 2,139,613,244 |
| Termination benefit | 152,000,000 | 244,000,000 |
| | <u>1,561,700,000</u> | <u>2,383,613,244</u> |

32. BASIC EARNINGS PER SHARE

Basic earnings per share amount is calculated by dividing the net profit after tax for the year attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. During the year ended 31 December 2008, the outstanding weighted average number of ordinary shares is 114,335,634.

In March 2008, the Company successfully issued 39,983,156 shares to the existing shareholders at an exercise price of VND10,000/share. After taking into account the effect of the bonus fraction on this right issue, the basic earnings per ordinary share for the year ended 31 December 2007 would be reduced from VND4,449/share to VND2,940/share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

33. 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 | Tay Tang Long Co., Ltd. | 300,000,000,000 | 270,000,000,000 | 90 | 150,000,000 | 269,850,000,000 |
| 2 | BIDV-Land Joint Stock Company | 500,000,000,000 | 100,000,000,000 | 20 | 70,000,000,000 | 30,000,000,000 |
| 3 | BIDV-PP Joint Stock Company | 300,000,000,000 | 120,000,000,000 | 40 | 47,058,820,000 | 72,941,180,000 |
| | | | <u>490,000,000,000</u> | | <u>117,208,820,000</u> | <u>372,791,180,000</u> |

Capital commitments relating to on-going business co-operation contracts

The Company has entered into a business co-operation contract with Vietnam Tourism in Ho Chi Minh city for development of an office building for lease and the outstanding capital commitments on this contract as at 31 December 2008 amounted to approximately VND 118 billion.

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 Ho Chi Minh city and the outstanding commitment on these contracts amounted to approximately VND 532 billion as at 31 December 2008.

In addition, PFV Investment & Trading JSC, a subsidiary, has also entered into a number of contracts relating to the development of the Vincom Park Place and the outstanding commitment on these contracts amounted to approximately VND 126 billion as at 31 December 2008.

Other commitments

Commitment under Transfer Agreement with BIDV

On 31 July 2006, the Company had transferred certain parts of the land use right and the assets on the land of the Vincom City Towers to the Bank for Investment and Development of Vietnam ("BIDV"). In accordance with the Transfer Agreement, the Company has also committed to transfer the ownership of the following investment properties to BIDV on 20 July 2012:

- (i) the ownership of half of the commercial center (from 1st floor to 6th floor of Vincom City Towers (the "Towers"), except for the reception and elevator waiting area of 160m² on the 1st floor); and
- (ii) the ownership of 31.156% of the basement 1 and basement 2 of the Towers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2008

34. MINORITY INTERESTS

| | <i>Hung Viet Trading and Advertisement Joint Stock Company</i> VND | <i>PFV Investment and Trading JSC</i> VND | <i>Vincom Securities Joint Stock Company</i> VND | <i>Total</i> VND |
|---|---|--|---|------------------------|
| 31 December 2007 | | | | |
| Share in contributed chartered capital | 1,056,000,000 | 251,000,000 | 90,000,000,000 | 91,307,000,000 |
| Share in pre-acquisition accumulated losses | (320,965,983) | - | - | (320,965,983) |
| Share in post-acquisition profit/(loss) | (312,897,527) | 55,732,233 | (296,595,973) | (553,761,267) |
| | <u>422,136,490</u> | <u>306,732,233</u> | <u>89,703,404,027</u> | <u>90,432,272,750</u> |
| 31 December 2008 | | | | |
| Beginning balance | 422,136,490 | 306,732,233 | 89,703,404,027 | 90,432,272,750 |
| Increase in capital | - | 33,289,000,000 | - | 33,289,000,000 |
| Share in profit | - | 948,106,554 | 321,581,948 | 1,269,688,502 |
| Disposal | (422,136,490) | - | - | (422,136,490) |
| Ending balance | <u>-</u> | <u>34,543,838,787</u> | <u>90,024,985,975</u> | <u>124,568,824,762</u> |

35. EVENTS AFTER THE BALANCE SHEET DATE

On 5 January 2009, due to the difficulties in business operations and the impact of the world financial crisis on the Vietnamese economy, the Board of Management of Vincom Securities JSC, a subsidiary, issued Resolution No. 01/09/HDQT-VSC approving the restructure plan for Vincom Securities JSC and for its finance and insurance business units. Accordingly, the total employees of Vincom Securities JSC will be reduced by 111 persons. The estimated amount of provision related to the planned retrenchment, which will also be paid in 2009, of VND11.2 billions has not been provided for in the financial statements as at and for the year ended 31 December 2008.


36. CORRESPONDING FIGURES

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



Nguyen Thi Thu Hien
Chief Accountant




Mai Huong Noi
General Director

25 March 2009