

**Vinpearl Joint Stock Company**  
**[previously known as Vinpearlland Tourism Joint**  
**Stock Company]**

Report of the Board of Management  
and Reviewed interim consolidated financial statements

30 June 2010

Vinpearl Joint Stock Company  
[previously known as Vinpearlland Tourism Joint Stock Company]

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**Vinpearl Joint Stock Company**  
[previously known as Vinpearlland Tourism Joint Stock Company]

**REPORT OF BOARD OF MANAGEMENT**

The Board of Management of Vinpearl Joint Stock Company ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2010.

**THE COMPANY**

The Company was previously a limited liability company operating under the name Hon Tre Tourism and Trading Limited Liability Company. On 26 July 2006, the Company was transformed into a joint stock company under the name Vinpearl Tourism and Trading Joint Stock Company in accordance with the Business License No.3703000217 issued by the Khanh Hoa's Department of Planning and Investment. On 8 May 2009, the Company changed its name into Vinpearlland Tourism Joint Stock Company in accordance with the 11<sup>th</sup> amended Business License from the Khanh Hoa's Department of Planning and Investment.

On 28 June 2010, the Company changed its name to Vinpearl Joint Stock Company and also increased its registered chartered capital to VND 1,129,997,590,000 in accordance with the 14<sup>th</sup> amended Business License issued by Khanh Hoa's Department of Planning and Investment.

The Company's principal activities are to develop and operate a complex of five star hotels, resorts, golf-course, tourist villages and amusement parks in Hon Tre Island, Nha Trang City, Khanh Hoa, Vietnam and to provide related tourism, transportation and entertainment services. The Company is also engaged in trading of investment properties and real estates, provision of civil and industrial construction services, and in financial investment activities.

The Company's head office is located in Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa, Vietnam.

At as 30 June 2010, the Company has the following subsidiaries:

*Green City Development Joint Stock Company ("GCD")*

GCD was established in accordance with Business License No. 4103008366 issued by Ho Chi Minh City's Department of Planning and Investment on 8 November 2007, and the subsequent amendments. GCD has a registered chartered capital of VND1,000 billion, in which the Company holds a 50% equity interest. The principal activities of GCD are real-estate trading, hotel, restaurant and other related services, civil and industrial construction. The registered office of GCD is at 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City.

*Vietnam Tourism in Nha Trang Joint Stock Company*

Vietnam Tourism in Nha Trang Joint Stock Company was established in accordance with Business License No. 4200764747 issued by Khanh Hoa's Department of Planning and Investment on 12 June 2008, with a registered chartered capital of VND10 billion. The principal activities of this subsidiary are the provision of passenger transportation, tourism agency, hotel, villa restaurant and other related services. The registered office of this subsidiary is in Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa. As at 30 June 2010, the Company holds 80% equity interest in this subsidiary.

*Nam Qua Tourism Co., Ltd.*

Nam Qua Tourism Co., Ltd. was established in accordance with Business License No. 5800273622 issued by Lam Dong's Department of Planning and Investment on 8 August 2008, with a registered chartered capital of VND110 billion. The principal activities of this subsidiary are tourism services, hospitality, hotel and restaurant services. The registered office of this subsidiary is at 22 A Chi Lang Street, Ward 9, Da Lat City, Lam Dong Province. As at 30 June 2010, the Company holds 80% equity interest in this subsidiary.

**Vinpearl Joint Stock Company**  
[previously known as Vinpearlland Tourism Joint Stock Company]

REPORT OF BOARD OF MANAGEMENT (continued)

**THE COMPANY** (continued)

*Mega Global Corporation Investment and Trading JSC*

Mega Global Corporation Investment and Trading JSC was established in accordance with the Business License No. 4103007448 issued by Ho Chi Minh City's Department of Planning and Investment on 1 August 2007, with a registered chartered capital of VND350 billion. The principal activities of this subsidiary are real-estates trading, office rental service, civil and industrial construction and other services. The registered office of this subsidiary is at 182 Nguyen Van Thu, Da Kao Ward, District 1, Ho Chi Minh City. As at 30 June 2010, the Company holds 70% equity interest in this subsidiary. This subsidiary completed the administrative documents to dissolve on 17 August 2010 in pursuant to the Decision of General Shareholders dated 20 July 2009.

**RESULTS AND DIVIDENDS**

	<i>For the six-month period ended 30 June 2010</i>	<i>For the six-month period ended 30 June 2009</i>
	VND	VND
Net profit attributable to the equity holders of the parent	41,369,277,059	40,048,692,995
Dividend distributed during the period	(129,997,590,000)	-
Undistributed earnings at the end of the period	91,877,897,203	136,261,878,911

**SIGNIFICANT EVENTS**

On 17 May 2010, the Company officially announced a new share offer, which was approved by the Company's annual General shareholder meeting dated 3 April 2010. The number of ordinary shares to be issued is 80,000,000 shares (at a par value of VND 10,000 per share), in which:

- ▶ 13,000,000 stock dividends will be distributed to existing shareholders at the rate of 13 new shares for every 100 outstanding shares; and
- ▶ Right issue of 67,000,000 shares to existing shareholders at the rate of 67 new shares for every 100 outstanding shares, at the exercise price of VND 10,000 per share.

The new share offer has been approved by the Chairman of the State Securities Commission as per the Decision No. 565/UBCK-GCN dated 17 May 2010.

On 31 May 2010, the Company completed the issuance of 12,999,759 new shares from stock dividends to existing shareholders. At the end of the rights issue, on 30 July 2010, 66,905,962 new shares were exercised by the existing shareholders, and a total cash contribution of VND 669,059,620,000 was transferred to the Company on 9 August 2010.

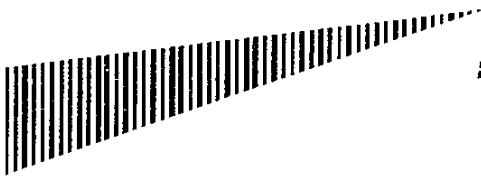
On 16 August 2010, the Company increased its registered chartered capital to VND 1,799,057,210,000 in accordance with the 15<sup>th</sup> amended Business License issued by Khanh Hoa's Department of Planning and Investment.

**BOARD OF MANAGEMENT**

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

Mr. Nguyen Trong Hien	Chairman	Appointed on 16 November 2007
Mr. Pham Nhat Vuong	Member	Appointed on 26 July 2006
Mr. Dang Thanh Thuy	Member	Appointed on 18 June 2008
Ms. Vu Tuyet Hang	Member	Appointed on 22 September 2008
Ms. Mai Thu Thuy	Member	Appointed on 16 November 2007





Reference: 60755008/14395718

**AUDITORS' REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**To: The Shareholders of Vinpearl Joint Stock Company**

We have reviewed the interim consolidated balance sheet of Vinpearl Joint Stock Company, previously known as Vinpearlland Tourism Joint Stock Company, ("the Company"), and its subsidiaries (the "Group") as at 30 June 2010, and the interim consolidated income statement and interim consolidated cash flow statement for the six-month period then ended and the notes thereto as set out on pages 5 to 49 ("the interim consolidated financial statements"). These interim consolidated financial statements are the responsibility of the management of the Group. Our responsibility is to issue a report on these interim consolidated financial statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2010, and of its interim consolidated results of operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.



*Ernst & Young Vietnam Ltd.*

Ernst & Young Vietnam Limited

*Tran Dinh Cuong*

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

*Bui Anh Tuan*

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

Hanoi, Vietnam

27 August 2010

INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2010

Currency: Vietnam dong

Code	ASSETS	Notes	30 June 2010	31 December 2009
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,552,377,708,344</b>	<b>2,428,063,239,099</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>16,348,187,269</b>	<b>10,335,669,707</b>
111	1. Cash		11,348,187,269	10,135,669,707
112	2. Cash equivalents		5,000,000,000	200,000,000
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>1,052,366,733,300</b>	<b>1,522,646,733,300</b>
121	1. Short-term investments		1,052,366,733,300	1,522,646,733,300
<b>130</b>	<b>III. Current receivables</b>		<b>98,649,921,117</b>	<b>114,385,313,410</b>
131	1. Trade receivables		19,787,495,070	14,829,690,706
132	2. Advances to suppliers		9,252,220,985	6,436,544,266
133	3. Intercompany receivables		-	-
135	4. Other receivables	6	69,773,028,322	93,364,461,226
139	5. Provision for doubtful debts		(162,823,260)	(245,382,788)
<b>140</b>	<b>IV. Inventories</b>	<b>7</b>	<b>25,577,537,765</b>	<b>11,611,695,016</b>
141	1. Inventories		25,577,537,765	11,611,695,016
<b>150</b>	<b>V. Other current assets</b>		<b>359,435,328,893</b>	<b>769,083,827,666</b>
151	1. Short-term prepaid expenses	8	41,695,151,163	40,890,240,799
152	2. Value added tax deductible		195,472,086	4,406,865,090
154	3. Tax and other receivables from the State		49,058,434	1,240,894,286
158	4. Other current assets		317,495,647,210	722,545,827,491

Vinpearl Joint Stock Company  
[previously known as Vinpearlland Tourism Joint Stock Company]

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INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2010

Currency: Vietnam dong

Code	ASSETS	Notes	30 June 2010	31 December 2009
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>5,241,260,381,519</b>	<b>4,757,650,882,577</b>
<b>220</b>	<b>i. Fixed assets</b>		<b>2,094,588,657,699</b>	<b>1,946,189,179,490</b>
221	1. Tangible fixed assets	9	1,158,486,179,059	1,192,105,566,363
222	Cost		1,404,438,609,222	1,404,941,091,348
223	Accumulated depreciation		(245,952,430,163)	(212,835,524,985)
227	2. Intangible fixed assets	10	161,383,522,967	97,482,876,550
228	Cost		169,333,723,661	104,268,024,066
229	Accumulated amortisation		(7,950,200,694)	(6,785,147,516)
230	3. Construction in progress	11	774,718,955,673	656,600,736,577
<b>240</b>	<b>ii. Investment properties</b>	<b>12</b>	<b>20,514,147,043</b>	<b>20,915,846,725</b>
241	1. Cost		22,932,088,032	22,932,088,032
242	2. Accumulated depreciation		(2,417,940,989)	(2,016,241,307)
<b>250</b>	<b>iii. Long-term investments</b>		<b>3,079,013,703,544</b>	<b>2,730,334,396,390</b>
252	1. Investments in associates	13.1	1,040,704,262,101	748,041,172,390
258	2. Other long-term investments	13.2	2,038,309,441,443	1,982,293,224,000
259	3. Provision for long-term investments		-	-
<b>260</b>	<b>iv. Other long-term assets</b>		<b>47,143,873,233</b>	<b>60,211,459,972</b>
261	1. Long-term prepaid expenses	14	46,339,751,081	59,297,444,565
262	2. Deferred tax assets	27.2	804,122,152	914,015,407
<b>269</b>	<b>v. Goodwill</b>		<b>-</b>	<b>-</b>
<b>270</b>	<b>TOTAL ASSETS</b>		<b>6,793,638,089,863</b>	<b>7,185,714,121,676</b>

Vinpearl Joint Stock Company  
[previously known as Vinpearlland Tourism Joint Stock Company]

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INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2010

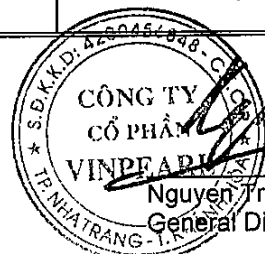
Currency: Vietnam dong

Code	RESOURCES	Notes	30 June 2010	31 December 2009
<b>300</b>	<b>A. LIABILITIES</b>		<b>5,020,220,343,752</b>	<b>5,702,941,243,469</b>
<b>310</b>	<b>i. Current liabilities</b>		<b>1,072,428,911,290</b>	<b>1,219,714,106,616</b>
311	1. Short-term loans and borrowings	15	872,281,430,634	832,123,603,864
312	2. Trade payables		38,804,596,694	36,909,113,132
313	3. Advances from customers		17,542,957,945	22,496,839,445
314	4. Statutory obligations	16	6,131,303,572	1,905,432,792
315	5. Payables to employees		7,388,555,986	1,961,653,009
316	6. Accrued expenses	17	129,813,372,177	245,825,863,247
317	7. Intercompany payables			-
319	8. Other payables	18	466,694,282	78,491,586,127
<b>330</b>	<b>ii. Non-current liabilities</b>		<b>3,947,791,432,462</b>	<b>4,483,227,136,853</b>
333	1. Other long-term liabilities		796,535,414	754,175,414
334	2. Long-term loans and debts	19	3,943,783,030,788	4,478,651,005,195
335	3. Deferred tax liabilities	27.2	618,280,093	963,953,527
336	4. Provision for retrenchment allowance		2,593,586,167	2,857,997,717
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>1,226,089,618,175</b>	<b>1,184,351,315,305</b>
<b>410</b>	<b>i. Capital</b>	<b>20</b>	<b>1,226,089,618,175</b>	<b>1,184,351,315,305</b>
411	1. Contributed chartered capital	20.1	1,130,246,830,000	1,000,000,000,000
416	2. Foreign exchange differences reserve	20.1	(2,029,603,028)	(2,149,388,839)
417	3. Investment and development fund	20.1	5,994,494,000	4,994,494,000
420	4. Undistributed earnings	20.1	91,877,897,203	181,506,210,144
<b>439</b>	<b>C. MINORITY INTERESTS</b>	<b>21</b>	<b>547,328,127,936</b>	<b>298,421,562,902</b>
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>6,793,638,089,863</b>	<b>7,185,714,121,676</b>

OFF BALANCE SHEET ITEM

ITEMS	30 June 2010	31 December 2009
1. Foreign currencies - United states dollar (US\$)	111,089	89,880

  
Nguyen Thinh  
Chief Accountant



Nguyen Trong Hien  
General Director

27 August 2010

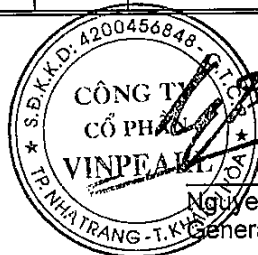
INTERIM CONSOLIDATED INCOME STATEMENT  
for the six-month period ended 30 June 2010

Currency: Vietnam dong

Code	ITEMS	Notes	For the six-month period ended 30 June 2010	For the six-month period ended 30 June 2009
01	1. Revenue from sale of goods and rendering of services	22.1	339,159,071,145	249,177,761,708
02	2. Deductions	22.1	(236,368,223)	(220,290,572)
10	3. Net revenue from sale of goods and rendering of services	22.1	338,922,702,922	248,957,491,136
11	4. Cost of goods sold and services rendered	23	(169,872,201,750)	(143,252,357,426)
20	5. Gross profit from sale of goods and rendering of services		169,050,501,172	105,705,133,710
21	6. Finance income	22.2	212,418,426,743	59,322,761,185
22	7. Finance expenses	24	(283,774,861,212)	(92,373,539,330)
23	- In which: Interest expenses		(268,083,652,448)	(87,242,688,348)
24	8. Selling expenses		(13,857,007,485)	(14,038,341,517)
25	9. General and administrative expenses		(21,156,418,173)	(19,633,933,380)
30	10. Operating profit		62,680,641,045	38,982,080,668
31	11. Other income	25	1,432,196,603	4,752,017,836
32	12. Other expenses	25	(4,913,188,006)	(2,080,981,316)
40	13. Other (loss) profit	25	(3,480,991,403)	2,671,036,520
45	14. Shares of (loss) profit in associates		(13,736,272,846)	(1,492,983,480)
50	15. Profit before tax		45,463,376,796	40,160,133,708
51	16. Current corporate income tax expense	27.1	(3,423,319,882)	(524,134,297)
52	17. Deferred income tax credit	27.2	235,785,179	129,810,964
60	18. Net profit after tax		42,275,842,093	39,765,810,375
61	18.1. Minority interests	21	906,565,034	(282,882,620)
62	18.2. Equity holders of the parent		41,369,277,059	40,048,692,995
80	19. Earnings per share	29		
	- Basic		366	400
	- Diluted		259	250

*Nguyen Thinh*

Nguyen Thinh  
Chief Accountant



Nguyen Trong Hien  
General Director

27 August 2010

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the six-month period ended 30 June 2010

Currency: Vietnam dong

Code	ITEMS	Notes	For the six-month period ended 30 June 2010	For the six-month period ended 30 June 2009
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Net profit before tax</b>		<b>45,463,376,796</b>	<b>40,160,133,708</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	9,10,12	35,332,278,906	33,639,921,289
03	Provisions		(82,559,528)	-
04	Unrealised foreign exchange (losses) gains		2,685,360,553	(197,435,031)
05	Profits from investing activities		(194,038,208,871)	(56,009,263,735)
06	Interest expenses	24	268,083,652,448	87,242,688,348
08	<b>Operating profit before changes in working capital</b>		<b>157,443,900,304</b>	<b>104,836,044,579</b>
09	(Increase)/decrease in receivables		(5,871,408,107)	4,076,635,777
10	(Increase)/decrease in inventories		(13,965,842,749)	670,908,392
11	Increase/(decrease) in payables (other than interest, corporate income tax)		10,769,942,997	(19,587,110,152)
12	Decrease/(increase) in prepaid expenses		12,152,783,120	(12,773,644,728)
13	Interest paid		(364,620,791,757)	(110,627,355,530)
14	Corporate income tax paid	27.1	(546,335,169)	(116,091,900)
15	Other cash inflows from operating activities		42,360,000	1,010,176,960
16	Other cash outflows from operating activities		(8,000,000,000)	(206,604,970)
20	<b>Net cash flows used in operating activities</b>		<b>(212,595,391,361)</b>	<b>(32,717,041,572)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(213,459,377,188)	(683,132,859,393)
22	Proceeds from disposals of fixed assets		-	600,000,000
23	Loans to other entities		(5,504,680,000)	(984,674,733,300)
24	Collections from borrowers		813,280,000,000	124,748,272,292
25	Payments for investments in other entities		(364,675,000,000)	(172,977,531,000)
27	Proceeds from disposal of investments in other entities		-	79,000,000,000
28	Interest and dividends received		238,278,466,329	7,764,158,306
30	<b>Net cash flows from/(used in) investing activities</b>		<b>467,919,409,141</b>	<b>(1,628,672,693,095)</b>

Vinpearl Joint Stock Company  
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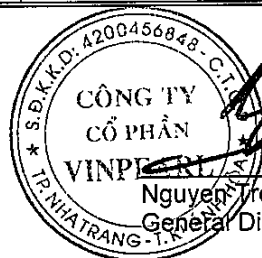
INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2010

Currency: Vietnam dong

Code	ITEMS	Notes	For the six-month period ended 30 June 2010	For the six-month period ended 30 June 2009
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution and issuance of shares		249,240,000	-
32	Capital contribution from minority shareholders		248,000,000,000	104,250,000,000
33	Drawdown of borrowings		118,167,979,928	1,957,491,970,594
34	Repayment of borrowings		(615,728,720,146)	(232,669,869,000)
40	<b>Net cash flows (used in)/from financing activities</b>		<b>(249,311,500,218)</b>	<b>1,829,072,101,594</b>
50	<b>Net increase in cash and cash equivalents</b>		<b>6,012,517,562</b>	<b>167,682,366,927</b>
60	<b>Cash and cash equivalents at the beginning of the period</b>		<b>10,335,669,707</b>	<b>74,112,499,396</b>
61	<b>Impact of exchange rate fluctuation</b>		-	-
70	<b>Cash and cash equivalents at the end of the period</b>	4	<b>16,348,187,269</b>	<b>241,794,866,323</b>



Nguyen Thinh  
Chief Accountant



Nguyen Trong Hien  
General Director

27 August 2010

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

**1. CORPORATE INFORMATION**

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The Company's principal activities are to develop and operate a complex of five star hotels, resorts, golf-course, tourist villages and amusement parks in Hon Tre Island, Nha Trang City, Khanh Hoa, Vietnam and provide related tourism, transportation and entertainment services. The Company is also engaged in trading of investment properties and real estates, provision of civil and industrial construction services, and in financial investment activities.

The Company's head office is located in Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa, Vietnam.

The number of the Company's employees as at 30 June 2010 is 1,721 (31 December 2009: 1,445).

*Board of Management*

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

Mr Nguyen Trong Hien	Chairman	Appointed on 16 November 2007
Mr Pham Nhat Vuong	Member	Appointed on 26 July 2006
Mr Dang Thanh Thuy	Member	Appointed on 18 June 2008
Ms Vu Tuyet Hang	Member	Appointed on 22 September 2008
Ms Mai Thu Thuy	Member	Appointed on 16 November 2007

The Company has the following subsidiaries as at 30 June 2010:

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GCD was established in accordance with Business License No. 4103008366 issued by Ho Chi Minh City's Department of Planning and Investment on 8 November 2007, and the subsequent amendments. GCD has a registered chartered capital of VND1,000 billion, in which the Company holds a 50% equity interest. The principal activities of GCD are real-estate trading, hotel, restaurant and other related services, civil and industrial construction. The registered office of GCD is at 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City.

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

**1. CORPORATE INFORMATION** (continued)

*Vietnam Tourism in Nha Trang Joint Stock Company*

Vietnam Tourism in Nha Trang Joint Stock Company was established in accordance with Business License No. 4200764747 issued by Khanh Hoa's Department of Planning and Investment on 12 June 2008, with a registered chartered capital of VND10 billion. The principal activities of this subsidiary are the provision of passenger transportation, tourism agency, hotel, villa restaurant and other related services. The registered office of this subsidiary is in Hon Tre Island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa. As at 30 June 2010, the Company holds 80% equity interest in this subsidiary.

*Nam Qua Tourism Co., Ltd.*

Nam Qua Tourism Co., Ltd. was established in accordance with Business License No. 5800273622 issued by Lam Dong's Department of Planning and Investment on 8 August 2008, with a registered chartered capital of VND110 billion. The principal activities of this subsidiary are tourism services, hospitality, hotel and restaurant services. The registered office of this subsidiary is at 22 A Chi Lang Street, Ward 9, Da Lat City, Lam Dong Province. As at 30 June 2010, the Company holds 80% equity interest in this subsidiary.

*Mega Global Corporation Investment and Trading JSC*

Mega Global Corporation Investment and Trading JSC was established in accordance with the Business License No. 4103007448 issued by Ho Chi Minh City's Department of Planning and Investment on 1 August 2007, with a registered chartered capital of VND350 billion. The principal activities of this subsidiary are real-estates trading, office rental service, civil and industrial construction and other services. The registered office of this subsidiary is at 182 Nguyen Van Thu, Da Kao Ward, District 1, Ho Chi Minh City. As at 30 June 2010, the Company holds 70% equity interest in this subsidiary. This subsidiary completed the administrative documents to dissolve on 17 August 2010 in pursuant to the Decision of General Shareholders dated 20 July 2009.

The Company also has the following associates:

	<i>Percentage of share holding</i>
1 Vitours JSC	29.13%
2 Vincharm Development and Services JSC	20%
3 PCM JSC	20%
4 Vietnam Tourism in Ho Chi Minh City JSC	25.28%
5 Royal City Real Estate Development and Investment JSC	34%
6 Viettronics Dong Da JSC (*)	24.30%
7 Vinpearl Hoi An JSC	30%
8 Vinpearl Danang JSC	40%
9 Ha Noi Investment and General Service JSC (*)	25%

(\*) Indirect holding through a subsidiary, GCD.

Details of the investments in associates are disclosed in Note 13.1.

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

## **2. BASIS OF PREPARATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **2.1 Accounting Standards and System**

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

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

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

#### **Accounting standard and guidance issued but not yet effective**

*Circular 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments:*

On 6 November 2009, the Ministry of Finance issued Circular 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments. The adoption of the circular will require further disclosures and have impact on the presentation of certain financial instruments in the financial statements. The circular will become effective for financial years beginning on or after 31 December 2011. The Group's management is currently assessing the impact of adopting the circular on future consolidated financial statements of the Group.

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

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

### **2.3 Fiscal year**

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

### **2.4 Accounting currency**

The Group maintains its accounting records in VND.

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

**2. BASIS OF PREPARATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(continued)

**2.5 Basis of consolidation**

The interim consolidated financial statements comprise the financial statements of Vinpearl Joint Stock Company (the parent company) and its subsidiaries as at 30 June 2010.

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

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

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

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Significant accounting judgments, estimates and assumptions**

*Fair value of the identifiable assets, liabilities and contingent liabilities of the acquired associates*

The preparation of the interim 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, including the judgments and estimates of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired associates. These judgments and estimates are subject to different factors, such as available market information on the fair value of identical assets or liabilities, or available information that are necessary for the purpose of determining fair value through the use of valuation models. However, uncertainty over these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**3.2 Cash and cash equivalents**

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

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

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

**3.3 Inventories**

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

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

The perpetual method is used to record inventories, which are valued on a weighted average basis.

*Provision for obsolete inventories*

An inventories provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the interim consolidated income statement.

**3.4 Receivables**

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

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the interim consolidated income statement.

**3.5 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

**3.6 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

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

**3.7 Depreciation and amortisation**

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

Buildings and structures	30 - 40 years
Other structures	10 - 20 years
Land use rights with definite term	45 - 48 years
Land use rights with indefinite term	not amortised
Machinery and equipment	8 - 15 years
Motor vehicles	6 - 12 years
Means of transmission	25 years
Office equipments	4 - 8 years
Computer software	4 - 8 years
Others	8 - 15 years

**3.8 Investment properties**

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

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

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

Land use rights	45 - 48 years
Buildings	10 - 20 years
Others	8 - 15 years

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

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.

**3.9 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

Borrowing costs are recorded as expense during the year/period in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

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

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

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

**3.10 Prepaid expenses**

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

The following types of expenses are recorded as long-term prepaid expense and are amortised to the consolidated income statement over 2 to 5 years:

- ▶ Pre-operating expenses/start-up and preparation costs (including expenditures on training, advertising and promotional activities incurred during this period);
- ▶ Tools and consumables with large value issued into production and can be used for more than one year;
- ▶ Bonds issue fees.

**3.11 Business combinations and goodwill**

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

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

**3.12 Investment in associates**

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that are neither subsidiaries nor joint ventures.

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

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

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

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

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

**3.13 *Investments in securities and other investments***

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

**3.14 *Payables and accruals***

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

**3.15 *Foreign currency transactions***

The Group adopted Circular 201/2009/TT-BTC issued on 15 October 2009 by the Ministry of Finance ("Circular 201") providing guidance for the treatment of foreign exchange differences in relation to foreign currency transactions from 2009.

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

All unrealised foreign exchange differences arising from the translation of short-term monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are taken to the "Foreign exchange differences reserve" account in the equity section of the consolidated balance sheet and reversed in the following year.

All unrealised foreign exchange losses arising from the translation of long-term monetary liabilities denominated in foreign currencies as at balance sheet date are charged to the consolidated income statement. However, if the charging of all foreign exchange losses results in the net loss before tax for the Group, such exchange losses exceeding the foreign exchange losses arising from the translation of the current portion of the long-term liabilities is deferred in the "Foreign exchange differences reserve" account in the equity section of the consolidated balance sheet and allocated to consolidated income statement within the subsequent five years.

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

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

**3.15 Foreign currency transactions (continued)**

The above guidance related to unrealized foreign exchange differences provided by Circular 201 is different from those stipulated under VAS 10 as follows:

<i>Transaction</i>	<i>Accounting treatment under VAS 10</i>	<i>Accounting treatment under Circular 201</i>
Translation of short-term monetary assets and liabilities in foreign currencies	All unrealised foreign exchange differences are taken to the interim consolidated income statement.	All unrealised foreign exchange differences are taken to the "Foreign exchange differences reserve" account in the equity section of the balance sheet and will be reversed on the following year.
Translation of long-term monetary liabilities in foreign currencies at period end	All unrealised foreign exchange differences are taken to the interim consolidated income statement.	<ul style="list-style-type: none"> <li>- All unrealized foreign exchange gains are taken to the interim consolidated income statement.</li> <li>- All foreign exchange losses will be charged to the interim consolidated income statement. However, if the charging of all foreign exchange losses results in net loss before tax for the company, part of the exchange losses can be deferred and allocated to the interim consolidated income statement within the subsequent five years. In any case, the total foreign exchange loss to be charged to current period's income must be at least equivalent to the foreign exchange losses arising from the translation of the current portion of the long-term liabilities, while the remaining portion of the foreign exchange losses can be deferred in the interim consolidated balance sheet and allocated to the interim consolidated income statement within the subsequent five years.</li> </ul>

The impact to the interim consolidated financial statements should the Group adopt VAS 10 for the six-month period ended 30 June 2010 is presented in Note 32.

**3.16 Appropriation of net profits**

Net profit after tax is available for appropriation to investors after approval at the Annual General Meeting of shareholders, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements. Dividends are declared from undistributed earnings based on the shareholders' ownership in the Company.

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

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

**3.17 Revenue recognition**

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

*Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

*Rendering of services*

Income from hotel, amusement park and other relating services is recorded when the services are rendered.

*Gains from securities trading/capital transfer*

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

*Interest*

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

*Dividends*

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

*Rental income*

Rental income arising from operating leases is accounted for on a straight line basis over the term of the lease.

**3.18 Taxation**

*Current income tax*

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

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

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

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

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

**3.18 Taxation (continued)**

*Deferred tax*

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

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

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

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

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

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

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

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

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

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

**4. CASH AND CASH EQUIVALENTS**

	30 June 2010 VND	31 December 2009 VND
Cash on hand	1,079,504,379	1,474,084,954
Cash at banks	9,994,698,470	8,376,018,787
Cash in transit	273,984,420	285,565,966
Cash equivalents	5,000,000,000	200,000,000
	<u>16,348,187,269</u>	<u>10,335,669,707</u>

Cash equivalents represent short term-deposits which are due in no longer than three months, and bear interest rates ranging from 6.5% to 9% per annum.

**5. SHORT-TERM INVESTMENTS**

	30 June 2010 VND	31 December 2009 VND
<b>Short-term loans</b>		
Thanh Nien Newspaper	-	65,000,000,000
Vincharm Investment and Services JSC	4,000,000,000	300,000,000,000
Vinpearl Hoi An JSC	200,000,000,000	200,000,000,000
Vegas Hotel & Villas Ltd (*)	10,500,000,000	5,000,000,000
Ha Noi Investment and General Service JSC	475,000,000,000	475,000,000,000
Vincom JSC	68,646,733,300	68,646,733,300
Ms. Nguyen Thuy Ha	4,820,000,000	122,000,000,000
Mr. Hoang Quoc Thuy	-	189,000,000,000
Mr. Nguyen Huu Binh	20,000,000,000	20,000,000,000
Ms. Pham Hong Linh	249,400,000,000	-
Ms. Vu Tuyet Hang	20,000,000,000	-
<b>Acquisition of unlisted shares</b>		
Vinpearl Hoi An Tourism & Investment JSC	-	78,000,000,000
	<u>1,052,366,733,300</u>	<u>1,522,646,733,300</u>

Note 28 provides further details on the loans and advance to related parties.

(\*) Vinpearl Da Nang JSC and Magnum Investment Group Limited ("Magnum"), the owner of Vegas Hotel and Villas Co., Ltd ("Vegas"), have signed an agreement on the transfer of capital owned by Magnum in Vegas to Vinpearl Da Nang. After the transfer, assets and liabilities owned by Vegas will be handed over to Vinpearl Da Nang. Vegas will also be processing administrative procedures to dissolve. The loan provided by the Group to Vegas will also be transferred to Vinpearl Da Nang after Vegas' liquidation.

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

**6. OTHER RECEIVABLES**

	<i>30 June 2010</i>	<i>31 December 2009</i>
	<i>VND</i>	<i>VND</i>
Loan interest receivables	58,341,984,144	84,514,080,834
Dividend receivables	2,768,100,000	508,680,000
Other receivables	8,662,944,178	8,341,700,392
	<u><b>69,773,028,322</b></u>	<u><b>93,364,461,226</b></u>

**7. INVENTORIES**

	<i>30 June 2010</i>	<i>31 December 2009</i>
	<i>VND</i>	<i>VND</i>
Materials and fuels	17,169,702,491	8,077,785,338
Tools and supplies	2,547,656,675	2,313,617,292
Merchandise goods	1,630,385,357	1,220,292,386
Goods in transit	4,229,793,242	-
	<u><b>25,577,537,765</b></u>	<u><b>11,611,695,016</b></u>

**8. SHORT-TERM PREPAID EXPENSES**

	<i>30 June 2010</i>	<i>31 December 2009</i>
	<i>VND</i>	<i>VND</i>
Tools and equipment	12,207,393,669	13,783,871,307
Pre-operating expenses	685,978,389	857,472,987
Bonds issue fees	20,307,455,640	20,307,455,640
Other payables	8,494,323,465	5,941,440,865
	<u><b>41,695,151,163</b></u>	<u><b>40,890,240,799</b></u>

Vinpearl Joint Stock Company  
[previously known as Vinpearland Tourism Joint Stock Company]

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

**9. TANGIBLE FIXED ASSETS**

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>Cost:</b>						
Beginning balance	868,314,193,021	398,191,292,635	102,603,771,903	9,620,357,657	26,211,476,132	1,404,941,091,348
Transfer from construction in progress	3,423,546,580	2,985,567,244	823,821,922	49,200,000	-	7,282,135,746
Sold, disposed	7,560,976,974	223,640,898	-	-	-	7,784,617,872
Ending balance	864,176,762,627	400,953,218,981	103,427,593,825	9,669,557,657	26,211,476,132	1,404,438,609,222
<b>Accumulated depreciation:</b>						
Beginning balance	80,054,403,637	97,607,856,198	18,208,630,632	5,778,670,989	11,185,963,529	212,835,524,985
Depreciation for the period	12,476,388,287	16,017,860,610	3,283,969,018	601,919,264	1,551,410,472	33,931,547,646
Sold, disposed	740,095,506	74,546,962	-	-	-	814,642,468
Ending balance	91,790,696,413	113,551,169,846	21,492,599,650	6,380,590,253	12,737,374,001	245,952,430,163
<b>Net carrying amount:</b>						
Beginning balance	788,259,789,384	300,583,436,437	84,395,141,271	3,841,686,668	15,025,512,603	1,192,105,566,363
Ending balance	772,386,066,214	287,402,049,135	81,934,994,175	3,288,967,404	13,474,102,131	1,158,486,179,059

As disclosed in Note 19.1, all buildings and structures, machineries and equipments are pledged as collaterals for the loans obtained from the Bank of Investment and Development, Khanh Hoa Branch and for the second corporate bonds under the Collateral Contract No. 02/2003/HDCC dated 5 November 2003 and under the Collateral Contract No. 03/2006/HDBD dated 17 April 2006, Mortgage Contract of land use rights and associated assets dated 11 March 2009.

Vinpearl Joint Stock Company  
[previously known as Vinpearlland Tourism Joint Stock Company]

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

**10. INTANGIBLE FIXED ASSETS**

	<i>Indefinite land use rights VND</i>	<i>Definite land use rights VND</i>	<i>Computer software VND</i>	<i>Total VND</i>
<b>Cost:</b>				
Beginning balance	29,807,792,900	68,469,648,617	5,990,582,549	104,268,024,066
Additions	<u>63,388,737,928</u>	<u>1,676,961,667</u>	-	<u>65,065,699,595</u>
Ending balance	<u>93,196,530,828</u>	<u>70,146,610,284</u>	<u>5,990,582,549</u>	<u>169,333,723,661</u>
<b>Accumulated amortisation:</b>				
Beginning balance	-	4,352,407,937	2,432,739,579	6,785,147,516
Depreciation for the period	-	<u>701,689,202</u>	<u>463,363,976</u>	<u>1,165,053,178</u>
Ending balance	<u>-</u>	<u>5,054,097,139</u>	<u>2,896,103,555</u>	<u>7,950,200,694</u>
<b>Net carrying amount:</b>				
Beginning balance	<u>29,807,792,900</u>	<u>64,117,240,680</u>	<u>3,557,842,970</u>	<u>97,482,876,550</u>
Ending balance	<u>93,196,530,828</u>	<u>65,092,513,145</u>	<u>3,094,478,994</u>	<u>161,383,522,967</u>

As disclosed in Note 19.1, all of the Company's intangible assets are mortgaged and pledged as collateral for the loans from the Bank of Investment and Development, Khanh Hoa Branch and for the second corporate bonds, under Mortgage Contract No. 01/2003/HDTC dated 5 November 2003 and Mortgage Contract No. 01/2006/HDTC dated 17 April 2006, and Mortgage Contract of land use rights and associated assets dated 11 March 2009.

**11. CONSTRUCTION IN PROGRESS**

	<i>30 June 2010 VND</i>	<i>31 December 2009 VND</i>
<b>Construction in progress of the parent</b>		
Vinpearl villas and golf-course	217,897,873,432	158,927,681,782
Bai Soi ecological park	77,008,200,187	75,431,649,046
Vinpearl Land square	12,233,665,567	
Dolphin show area	6,536,862,642	6,539,179,579
Other construction works	15,655,672,436	7,046,765,451
Others	85,097,128,779	64,276,509,701
<b>Construction in progress of subsidiaries</b>		
Green City project	360,104,552,630	344,193,951,018
Project survey and implementation	<u>185,000,000</u>	<u>185,000,000</u>
	<u>774,718,955,673</u>	<u>656,600,736,577</u>

Others comprise capitalized borrowing costs, project management expenses, fuel expense for power generators, construction camps, equipment rental expenses and construction materials attributable to on-going projects.

The total borrowing costs capitalized by the Group during the six-month period ended 30 June 2010 were VND 36,615,517,174, based on a weighted average borrowing cost of 6.05%/six months (12.1% per annum).

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**12. INVESTMENT PROPERTIES**

	<i>Buildings and structure</i>	<i>Machinery &amp; equipment</i>	<i>Others</i>	<i>Total</i>
	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>
<b>Cost:</b>				
Beginning balance	20,316,776,882	1,662,247,500	953,063,650	22,932,088,032
Addition	-	-	-	-
Disposal	-	-	-	-
Ending balance	<u>20,316,776,882</u>	<u>1,662,247,500</u>	<u>953,063,650</u>	<u>22,932,088,032</u>
<b>Accumulated depreciation:</b>				
Beginning balance	1,352,853,288	415,561,887	247,826,132	2,016,241,307
Increase	253,902,078	83,112,378	64,685,226	401,699,682
Decrease	-	-	-	-
Ending balance	<u>1,606,755,366</u>	<u>498,674,265</u>	<u>312,511,358</u>	<u>2,417,940,989</u>
<b>Net carrying amount:</b>				
Beginning balance	<u>18,963,923,594</u>	<u>1,246,685,613</u>	<u>705,237,518</u>	<u>20,915,846,725</u>
Ending balance	<u>18,710,021,516</u>	<u>1,163,573,235</u>	<u>640,552,292</u>	<u>20,514,147,043</u>

Investment properties comprise the shopping area located in Vinpearl Land Amusement Park. The Group has not determined the fair value of these investment properties as at 30 June 2010 owing to the absence of an active market for the properties.

**13. LONG-TERM INVESTMENTS**

	<i>Note</i>	<i>30 June 2010</i>	<i>31 December 2009</i>
		<i>VND</i>	<i>VND</i>
Investment in associates	13.1	1,040,704,262,101	748,041,172,390
Other long-term investments	13.2	<u>2,038,309,441,443</u>	<u>1,982,293,224,000</u>
<b>Total long-term investments</b>		<b>3,079,013,703,544</b>	<b>2,730,334,396,390</b>
Provision for long-term investments		-	-
		<u><b>3,079,013,703,544</b></u>	<u><b>2,730,334,396,390</b></u>

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**13. LONG-TERM INVESTMENTS (continued)**  
**13.1 Investment in associates**

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

	Carrying value as at 31 December 2009 VND	Investment during the period VND	Dividends received during the period VND	Goodwill amortisation VND	Allocation of difference between fair value and book value VND	Share of profit (loss) from associates VND	Reclassified to other long term investment	Carrying value as at 30 June 2009 VND
(i) Vitours JSC	23,473,049,475	-	(508,680,000)	(882,767,000)	-	365,031,084	-	22,446,633,559
(ii) Vinpearl Hoi An JSC	91,715,477,057	-	-	-	-	(69,383,980)	-	91,646,093,077
(iii) PCM JSC	11,581,103,582	-	-	-	-	-	-	11,581,103,582
(iv) Vietnam Tourism in Ho Chi Minh city JSC	99,348,638,564	-	(1,750,740,000)	-	(934,447,916)	378,116,474	-	97,041,567,122
(v) Viettronics Dong Da JSC	55,677,083,331	-	-	(2,672,500,000)	-	96,405,138	-	53,100,988,469
(vi) Thanh Nien Real- estates JSC	68,019,216	55,950,000,000	-	-	-	(1,801,773)	(56,016,217,443)	-
(vii) Royal Real-estates Investment and Development JSC	372,377,054,275	14,700,000,000	-	-	-	(7,747,707,065)	-	379,329,347,210
(viii) Vincharm Investment and Services JSC	93,800,746,890	-	-	(833,09 9,170)	-	(462,78 3,314)	-	92,504,86 4,406
(ix) Vinpearl Danang JSC	-	104,650,000,000	-	-	-	(340,225,028)	-	104,309,774,972
(x) Ha Noi Investment and General Service JSC	-	189,375,000,000	-	(265,212,172)	-	(365,898,124)	-	188,743,889,704
	<b>748,041,172,390</b>	<b>364,675,000,000</b>	<b>(2,259,420,000)</b>	<b>(4,653,578,342)</b>	<b>(934,447,916)</b>	<b>(8,148,246,588)</b>	<b>(56,016,217,443)</b>	<b>1,040,704,262,101</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**13. LONG-TERM INVESTMENTS (continued)**

**13.1 Investment in associates (continued)**

*(i) Vitours JSC*

Vitours JSC was established in accordance with the Business License No. 3203001791 dated 2 January 2008, issued by Danang city's Department of Planning and Investment. The principal activities of this company are to provide hotel, restaurant, tourism and other relating services. The head office of this company locates at 83 Nguyen Thi Minh Khai Street, Hai Chau District, Danang City. As at 30 June 2010, the Company holds a 29.13% equity interest in this associate.

Goodwill arising from acquisition of Vitours JSC included in the carrying value of the investment in this associate is VND13,241,502,300 as at 30 June 2010.

*(ii) Vinpearl Hoi An JSC*

Vinpearl Hoi An JSC (previously known as Vinpearl Hoi An Tourism and Investment JSC) was established in accordance with the Business License No. 3303070380 dated 1 April 2008 issued by Quang Nam's Department of Planning and Investment, and the 2nd amended license dated 17 August 2008, with a registered chartered capital of VND 300 billion. The principal activities of this company are to provide hotel, restaurant, resorts, golf course services, etc. The head office of this company locates at Phuoc Hai Block, Cua Dai Ward, Hoi An City, Quang Nam Province. As at 30 June 2010, the Company holds a 30% equity interest in this associate.

*(iii) PCM JSC*

PCM JSC (previously known as Vincom Construction Consultancy and Management JSC) was established in accordance with the Business License No. 0103012410 dated 31 May 2006, issued by Hanoi's Department of Planning and Investment. The principal activities of this company are to provide consultancy, design, construction supervisory services, etc. The head office of this company locates at 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi City. As at 30 June 2010, the Company holds a 20% equity interest in this associate.

*(iv) Vietnam Tourism in Ho Chi Minh City JSC*

Vietnam Tourism in Ho Chi Minh City JSC was established in accordance with the Business License No. 4103006768 dated 18 May 2007, issued by Ho Chi Minh city's Department of Planning and Investment. The principal activities of this company are import - export activities, commercial services, hotel, restaurant and other relating services. The head office of this company locates at 234 Nam Ky Khoi Nghia Street, Ward 6, District 3, Ho Chi Minh City. As at 30 June 2010, the Company holds a 25.28% equity interest in this associate.

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

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

**13.1 Investments in associates (continued)**

(v) *Viettronics Dong Da JSC*

Viettronics Dong Da JSC was established in accordance with the Business License No. 0103013134 dated 13 July 2006 issued by Hanoi's Department of Planning and Investment, and the subsequent amended licenses. The principal activities of this company are to import, export, manufacture, trade of electrical products, media equipment, telecommunication equipment, automated equipment, control equipment, real estate trading, restaurant, etc. The head office of this company locates at 56 Nguyen Chi Thanh Street, Dong Da District, Hanoi.

On 28 May 2009, Green City Development JSC ("GCD"), a subsidiary, acquired 534,500 shares in Viettronics Dong Da JSC (equivalent to 24.3% equity interest). As at 30 June 2010, the Company indirectly owns 24.3% voting rights in this associate through CGD.

Goodwill arising from acquisition of Viettronics Dong Da JSC included in the carrying value of the investment in this associate is VND47,659,583,331 as at 30 June 2010.

(vi) *Thanh Nien Real-estates JSC*

Refer to Note 13.2.

(vii) *Royal Real Estate Development and Investment JSC*

Royal Real Estates Investment and Development JSC was established in accordance with the Business License No. 0103038194 dated 11 June 2009, issued by Hanoi's Department of Planning and Investment, with a registered chartered capital of VND 2,000 billion. The principal activities of this company are real-estates trading, hotel, restaurant and other related services. The head office of this company locates at 74, Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi. As at 30 June 2010, the Company holds a 34% equity interest in this associate.

(viii) *Vincharm Development and Services JSC*

Vincharm is a joint stock company established in accordance with Business License No. 0103038728 dated 12 July 2005, and the 12<sup>th</sup> Amended Business License dated 26 August 2009, with a registered chartered capital of VND 400 billion. The principal activities of this company are real estate trading & broking, leasing, spa services, industrial - agricultural - construction machine trading & others. The registered office address of this company is at 191 Ba Trieu, Hai Ba Trung District, Hanoi. The Company holds a 20% equity interest in this associate as at 30 June 2010.

Goodwill arising from acquisition of Vincharm Development and Services JSC included in the carrying value of the investment in this associate is VND15,241,086,482 as at 30 June 2010.

(ix) *Vinpearl Da Nang JSC*

Vinpearl Da Nang JSC was established in accordance with the Business License No. 0401323008 dated 25 December 2009, issued by Da Nang city's Department of Planning and Investment. The principal activities of this company are to provide hotel, restaurant, resorts, supermarket services, real estate trading etc. The head office of this company is located at Hoa Hai Ward, Ngu Hanh Son District, Da Nang City. As at 30 June 2010, the Company holds a 40% equity interest in this associate.

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

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

**13.1 Investments in associates (continued)**

(x) *Ha Noi Investment and General Service JSC ("IGS")*

IGS is a joint stock company established in accordance with Business License No. 0103023290 dated 26 March 2008 issued by Hanoi's Department of Planning and Investment and the subsequent amended business licenses. Its principal activities are real estate trading, civil and industrial construction, investment in hydropower and irrigation projects, culture products trading 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.

On 11 June 2010, Green City Development JSC ("GCD"), a subsidiary, acquired 12,625,000 shares in Ha Noi Investment and General Service JSC (equivalent to 25% equity interest). As at 30 June 2010, the Company indirectly owns 25% voting rights in this associate through GCD.

Goodwill arising from acquisition of Ha Noi Investment and General Service JSC included in the carrying value of the investment in this associate is VND36,597,296,012 as at 30 June 2010.

**13.2. Other long-term investments**

	30 June 2010	31 December 2009
	VND	VND
Investment in shares of Vietnam Tourism in Hanoi JSC	7,693,224,000	7,693,224,000
Investment in shares of Thanh Nien Real Estate JSC (*)	56,016,217,443	-
Thuan Phong Energy Development JSC	3,000,000,000	3,000,000,000
Loan to Royal City Real Estates Investment and Development JSC (3-year)	1,871,600,000,000	1,871,600,000,000
Loan to Vinpearl Hoi An JSC (3-year)	100,000,000,000	100,000,000,000
Investment in Hon Mot Tourism JSC (**)	-	-
	<b><u>2,038,309,441,443</u></b>	<b><u>1,982,293,224,000</u></b>

(\*) Thanh Nien Real Estate JSC was established in accordance with Business License No. 4103010620 dated 17 June 2008, issued by Ho Chi Minh's Department of Planning and Investment, in which the Company initially held a 20% equity interest.

During the period, Thanh Nien Real Estate JSC merged with Thanh Nien Real Estate Trading and Service JSC in accordance with the Board of Management meeting minutes dated 24 June 2010. On 12 July 2010, Thanh Nien Real Estate JSC received its 4<sup>th</sup> Amended Business License from Ho Chi Minh City's Department of Planning and Investment, which approved the increase in its registered chartered capital to VND 530 billion, with the Company holding a 10.57% equity interest.

(\*\*) Hon Mot Tourism JSC was established in accordance with the Business License No.4201203790 dated 28 July 2010, issued by Khanh Hoa's Department of Planning and Investment, in which the Company is a founding shareholder with a 15% equity interest.

Note 28 provides further details on the long-term loans to related parties.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**14. LONG-TERM PREPAID EXPENSES**

	30 June 2010 VND	31 December 2009 VND
Tools and equipments	6,057,034,831	9,224,080,157
Bonds issue fees	36,088,104,687	45,506,981,956
Others	4,194,611,563	4,566,382,452
	<u>46,339,751,081</u>	<u>59,297,444,565</u>

**15. SHORT-TERM LOANS AND BORROWINGS**

	30 June 2010 VND	31 December 2009 VND
Short-term loans from banks	97,743,733,646	500,849,714,864
Short-term loan from Sinh Thai Investment and Development JSC (Note 28)	200,000,000,000	260,000,000,000
Current portion of bonds (Note 19.2)	500,000,000,000	-
Current portion of long-term loans (Note 19.1)	74,537,696,988	71,273,894,000
	<u>872,281,430,634</u>	<u>832,123,608,864</u>

Details of the short-term loans from banks are as follows:

<i>Bank</i>	<i>30 June 2010</i> VND	<i>Maturity date</i>	<i>Interest rate</i> (% p.a.)	<i>Collateral</i>
Bank for Investment and Development of Vietnam, Khanh Hoa Branch (credit limit)	97,743,733,646	6 months, interest payable monthly	From 9 to 12	See Note 19.1
	<u>97,743,733,646</u>			

**16. STATUTORY OBLIGATIONS**

	30 June 2010 VND	31 December 2009 VND
Value added tax	3,769,548,071	947,394,181
Special sales tax	35,865,213	22,509,002
Imported, exported tax	-	239,744,919
Corporate income tax (Note 27.1)	2,074,605,431	389,456,570
Personal income tax	219,436,258	222,328,625
Other taxes	31,848,599	83,999,495
	<u>6,131,303,572</u>	<u>1,905,432,792</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**17. ACCRUED EXPENSES**

	<i>30 June 2010</i>	<i>31 December 2009</i>
	<i>VND</i>	<i>VND</i>
Accrued bond interests	111,894,520,590	212,915,068,535
Accrued loans/borrowing interests	13,416,671,696	28,655,297,548
Others	4,502,179,891	4,255,497,164
	<u><b>129,813,372,177</b></u>	<u><b>245,825,863,247</b></u>

**18. OTHER PAYABLES**

	<i>30 June 2010</i>	<i>31 December 2009</i>
	<i>VND</i>	<i>VND</i>
Payables related to the transfer of Vinpearl Hoi An JSC shares	-	78,000,000,000
Social, health, unemployment insurance	56,141,572	-
Others	410,552,710	491,586,127
	<u><b>466,694,282</b></u>	<u><b>78,491,586,127</b></u>

**19. LONG-TERM LOANS AND DEBTS**

	<i>30 June 2010</i>	<i>31 December 2009</i>
	<i>VND</i>	<i>VND</i>
Long-term loans from Bank for Investment and Development of Vietnam - Khanh Hoa Branch ("BIDV Khanh Hoa")	443,783,030,788	478,651,005,195
Corporate bonds	3,500,000,000,000	4,000,000,000,000
	<u><b>3,943,783,030,788</b></u>	<u><b>4,478,651,005,195</b></u>

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

**19. LONG-TERM LOANS AND DEBTS (continued)**

**19.1 Long-term loans**

<i>Contract No.</i>	<i>30 June 2010</i>		<i>Maturity date</i>	<i>Interest rate</i>
	<i>US\$</i>	<i>VND</i>		
(i) 01/2003/HDTD dated 5 November 2003	865,925	16,057,720,988	11 May 2011	12 month US\$ saving rate + 3%
(ii) 01/2006/HDTD dated 17 April 2006	3,072,118	56,969,342,099	17 October 2014	12 month US\$ saving rate + 3%
(iii) 02/2006/HDTD dated 17 April 2006	2,335,217	43,304,264,233	12 March 2017	12 month VND saving rate + 3%
		- 319,663,851,466	12 March 2017	12 month VND saving rate + 4%
(iv) 04/2007/HDTD dated 07 August 2007	-	74,926,428,261	15 August 2017	12 month VND saving rate + 4%
(v) 07/2009/HDTD dated 29 June 2009	-	7,399,120,729	30 June 2012	12 month VND saving rate + 4%
	<b><u>6,273,260</u></b>	<b><u>518,320,727,776</u></b>		

In which:

<i>Current portion (Note 15)</i>	<i>74,537,696,988</i>
<i>Non-current portion</i>	<i>443,783,030,788</i>

The loans from BIDV Khanh Hoa were obtained to finance the Company's various construction projects.

The loans from (i) to (iv) above, the short-term loan from BIDV – Khanh Hoa (Note 15) and the second corporate bonds (Note 19.2) are secured by all assets, land use rights, water surface use rights and all assets on the land/water surface as per the following contracts:

- ▶ Land use rights and on-land assets Mortgage Contract No. 01/2006/HDTC dated 22 December 2006;
- ▶ Assets Mortgage Contract No. 02/2006/HDTC dated 22 December 2006;
- ▶ Mortgage Contract No. 01/2007/HDTC dated 7 August 2007;
- ▶ Mortgage Contract No. 01/2008/HDTC dated 26 September 2008; and
- ▶ Mortgage Contract of land use rights and associated assets dated 11 March 2009.

Loan (v) is secured by the assets financed by the proceeds from the loan, i.e. the 22kV underwater electricity cable.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**19. LONG-TERM LOANS AND DEBTS (continued)**

**19.2 Corporate bonds**

The Company has completed three issues of 4,000 corporate bonds, at a par value of VND1 billion each, or a total face value of VND4,000 billion. Proceeds from the issuance of the bonds are used to meet working capital requirements and to finance the capital expenditure requirements of the Company, its subsidiaries and associates. Details of these bonds are as follows:

- ▶ First issue: on 6 May 2008, comprising of 500 unsecured bonds, par value of VND1 billion each and a maturity term of 3 years, and another 500 unsecured bond, par value of VND1 billion and have a maturity term of 5 years. Coupons are paid annually on 5 May. According to the bondholders' resolution on 8 July 2009, bond interest is determined as follows:
  - for the 500 bonds that mature in 3 years, interest in the first year was 15% p.a. and for the following years, interest will be determined based on the average 12-month saving rates of 4 commercial banks + 4% p.a., as determined 7 days prior to the annual coupon payment date. The bond interest rate for the third year was determined at 15.4% p.a.
  - for the 500 bonds that mature in 5 years, interest in the first year was 16% p.a. and for the following years, interest will be determined based on the average 12-month saving rates of 4 commercial banks + 4.5% p.a., as determined 7 days prior to the annual coupon payment date. The bond interest rate for the third year was determined at 15.9% p.a.
- ▶ Second issue: on 18 March 2009, the Company has issued 1,000 corporate bonds at a par value of VND1 billion each, which will mature in 5 years with floating coupon rate. Interest in the first year was 10.1% p.a. and for the following years, interest will be determined based on the most recent Government bonds' interest rate + 3.5% p.a. or average 12-month VND saving rates of 4 commercial banks + 2.5% p.a., but not exceeding 1.5 times of basis interest rate announced by the State Bank of Vietnam, as determined 7 days prior to the annual coupon payment date. Coupon is paid on 18 March each year. These corporate bonds are secured by all assets, land use rights, water surface use rights and all assets on the land/water surface which were pledged for the loans from BIDV – Khanh Hoa (see Note 19.1).
- ▶ Third issue: on 12 October 2009, comprising of 1,000 bonds, par value of VND1 billion each and a maturity term of 3 years, and another 1,000 bond, par value of VND1 billion and have a maturity term of 5 years. Coupons are paid semi-annually on 12 April and 12 October. Bond interest is determined as follows:
  - for the 1,000 bonds that mature in 3 years, interest in the first year was 12% p.a. and for the following years, interest will be determined based on the average 12-month saving rates of Bank for Investment and Commerce of Vietnam + 3% p.a.
  - for the 1,000 bonds that mature in 5 years, interest in the first year was 15% p.a. and for the following years, interest will be determined based on the average 12-month saving rates of Bank for Investment and Commerce of Vietnam + 3.5% p.a.

Proceeds from these bonds are used to finance for capital expenditure requirements of the project located at 74 Nguyen Trai, Thuong Dinh Ward, Thanh Xuan District, Hanoi, which is being carried out by Royal City Real Estates Investment and Development JSC, an associate. These bonds are secured by land use rights and all assets to be formed by the bonds.

The current portion of these corporate bonds is VND 500 billion (Note 15).

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

**20.1 Increase and decrease in owners' equity**

**For the six-month period ended 30**

**June 2010**

	Contributed chartered capital VND	Foreign exchange difference reserve VND	Investment and development fund VND	Undistributed after- tax profits VND	Total VND
Beginning balance	1,000,000,000,000	(2,149,388,839)	4,994,494,000	181,506,210,144	1,184,351,315,305
Increase by stock dividends	129,997,590,000	-	-	(129,997,590,000)	-
Increase in capital in cash	249,240,000	-	-	-	249,240,000
Profit for the period	-	-	-	41,369,277,059	41,369,277,059
Transfer to reserve	-	-	1,000,000,000	(1,000,000,000)	-
Foreign exchange differences	-	119,785,811	-	-	119,785,811
Ending balance	1,130,246,830,000	(2,029,603,028)	5,994,494,000	91,877,897,203	1,226,089,618,175

**For the year ended 31 December 2009:**

Beginning balance	1,000,000,000,000	-	-	101,430,607,316	1,101,430,607,316
Increase in capital	-	-	-	-	-
Profit for the period	-	-	-	85,293,024,228	85,293,024,228
Transfer to reserve	-	-	4,994,494,000	(4,994,494,000)	-
Foreign exchange difference	-	(2,149,388,839)	-	-	(2,149,388,839)
Change in equity of associates	-	-	-	(222,927,400)	(222,927,400)
Ending balance	1,000,000,000,000	(2,149,388,839)	4,994,494,000	181,506,210,144	1,184,351,315,305

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

**20. OWNERS' EQUITY** (continued)

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

In accordance with the Resolution of Annual General Shareholder Meeting dated 3 April 2010, the undistributed after-tax profits will be appropriated as follows:

- ▶ transfer to investment and development fund of VND 1 billion,
- ▶ stock dividends of VND 130 billion, and
- ▶ the remaining will be reinvested into the business.

On 17 May 2010, the Company officially announced a new share offer, which was approved by the Company's annual General shareholder meeting on 3 April 2010. The number of ordinary shares to be issued is 80,000,000 shares (at a par value of VND 10,000 per share), in which:

- ▶ 13,000,000 stock dividends will be distributed to existing shareholders at the rate of 13 new shares for every 100 outstanding shares; and
- ▶ right issue of 67,000,000 shares to existing shareholders at the rate of 67 new shares for every 100 outstanding shares, at the exercise price of VND 10,000 per share.

The new share offer has been approved by the Chairman of the State Securities Commission as per Decision No. 565/UBCK-GCN dated 17 May 2010.

On 31 May 2010, the Company completed the issuance of 12,999,759 new shares from stock dividends to existing shareholders. At the completion of the rights issue, on 30 July 2010, 66,905,962 new shares were exercised by the existing shareholders, and a total cash contribution of VND 669,059,620,000 was transferred to the Company on 9 August 2010.

On 16 August 2010, the Company increased its registered chartered capital to VND 1,799,057,210,000 in accordance with the 15th amended Business License issued by Khanh Hoa's Department of Planning and Investment.

**20.2 Ordinary and preference shares**

	<i>For the six-month period ended 30 June 2010</i>	<i>For the six-month period ended 30 June 2009</i>
<b>Number of shares registered to issue</b>	<b>112,999,759</b>	<b>100,000,000</b>
<b>Number of shares issued to public</b>		
<i>Issued and fully paid-up shares</i>		
Ordinary shares	112,999,759	100,000,000
Preference shares		-
<i>Issued and not yet fully paid-up shares</i>		
Ordinary shares		-
Preference shares		-
<b>Number of outstanding shares</b>		
Ordinary shares	112,999,759	100,000,000
Preference shares		-

100 million ordinary shares are quoted in Ho Chi Minh City Stock Exchange ("HOSE") since 31 January 2008. The additional 12,999,759 ordinary shares are also quoted in HOSE since 14 June 2010.

Par value of the outstanding ordinary share: VND10,000 per share.

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

**21. MINORITY INTERESTS**

	<i>Green City Development JSC</i>	<i>Mega Global Corporation Investment and Trading JSC</i>	<i>Viet Nam Tourism in Nha Trang JSC</i>	<i>Total</i>
	VND	VND	VND	VND
<b>30 June 2010:</b>				
Contributed chartered capital	497,000,000,000	70,000,000,000	250,000,000	567,250,000,000
Goodwill allocation	(1,519,199,062)	-	-	(1,519,199,062)
Share in accumulated profit (losses)	(14,265,007,657)	(4,680,335,320)	542,669,975	(18,402,673,002)
	<b>481,215,793,281</b>	<b>65,319,664,680</b>	<b>792,669,975</b>	<b>547,328,127,936</b>
<b>For period ended 30 June 2009:</b>				
Profit/(loss) after acquisition	706,173,074	-	200,391,960	906,565,034

**22. REVENUES**

**22.1 Revenues from sales of goods and rendering of services**

	<i>For the six-month period ended 30 June 2010</i>	<i>For the six-month period ended 30 June 2009</i>
	VND	VND
<b>Gross revenue</b>	<b>339,159,071,145</b>	<b>249,177,781,708</b>
<i>Of which:</i>		
Revenue from rendering of hotel, tourism amusement park and other related services	337,073,309,263	247,415,707,991
Revenue from providing rental of investment properties and related services	2,085,761,882	1,762,073,717
<b>Sales deduction</b>	<b>236,368,223</b>	<b>220,290,572</b>
Sales discounts	-	-
Special sales tax	236,368,223	220,290,572
<b>Net revenue</b>	<b>338,922,702,922</b>	<b>248,957,491,136</b>
<i>Of which:</i>		
Revenue from rendering of hotel, tourism amusement park and other related services	336,836,941,040	247,195,417,419
Revenue from providing rental of investment properties and related services	2,085,761,882	1,762,073,717

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

**22. REVENUES (continued)**

**22.2 Financial income**

	<i>For the six-month period ended 30 June 2010 VND</i>	<i>For the six-month period ended 30 June 2009 VND</i>
Interest income	210,530,984,498	57,003,070,741
Bank interest	1,322,852,347	1,562,659,401
Dividends earned	233,761,000	144,434,118
Foreign exchange gains	284,170,259	590,593,573
Other finance income	46,658,639	22,003,352
	<b><u>212,418,426,743</u></b>	<b><u>59,322,761,185</u></b>

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

	<i>For the six-month period ended 30 June 2010 VND</i>	<i>For the six-month period ended 30 June 2009 VND</i>
Cost of hotel, tourism, amusement park and other related services rendered	168,945,982,941	141,793,338,296
Cost from providing rental of investment properties and provision of related services	926,218,809	1,459,019,130
	<b><u>169,872,201,750</u></b>	<b><u>143,252,357,426</u></b>

**24. FINANCIAL EXPENSES**

	<i>For the six-month period ended 30 June 2010 VND</i>	<i>For the six-month period ended 30 June 2009 VND</i>
Loan interest	268,083,652,448	87,242,698,348
Foreign exchange losses	6,458,265,833	1,788,251,356
Other finance expenses	9,232,942,931	3,342,599,626
	<b><u>283,774,861,212</u></b>	<b><u>92,373,539,330</u></b>

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

**25. OTHER INCOME AND EXPENSES**

	<i>For the six-month period ended 30 June 2010 VND</i>	<i>For the six-month period ended 30 June 2009 VND</i>
<b>Other income</b>		
Contract penalties	374,686,418	28,046,798
Proceeds from disposal of assets		600,000,000
Proceeds from disposal of materials, tools	979,156,390	1,568,132,364
Others	78,353,795	2,555,838,674
	<b>1,432,196,603</b>	<b>4,752,017,836</b>
<b>Other expenses</b>		
Costs from disposal of assets	4,331,887,922	542,857,704
Others	581,300,084	1,538,123,612
	<b>4,913,188,006</b>	<b>2,080,981,316</b>
	<b>(3,480,991,403)</b>	<b>2,671,036,520</b>

**26. OPERATING COSTS**

	<i>For the six-month period ended 30 June 2010 VND</i>	<i>For the six-month period ended 30 June 2009 VND</i>
Raw materials	85,441,082,325	76,739,556,636
Labour costs	50,076,582,811	41,667,093,333
Depreciation and amortisation expenses	35,320,373,040	33,801,687,527
Expenses for external services	34,988,492,372	30,715,017,684
Other expenses	282,833,958,072	86,374,816,473
	<b>488,660,488,620</b>	<b>269,298,171,653</b>

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

## **27. CORPORATE INCOME TAX**

The Company is investing in the Projects in Hon Tre island, Vinh Nguyen Ward, Nha Trang City, Khanh Hoa Province. These projects are granted with Investment Preferential Certificate No. 2498/UB issued by Khanh Hoa Province's People Committee, and the Company has the obligation to pay Corporate Income Tax ("CIT") at the rate of 20% of taxable profits, and is granted an exemption from CIT for 3 years commencing from the first year the Company makes a taxable profit, and a 50% reduction for the following 7 years for taxable profits derived from the registered business activities stipulating in the Company's Business Licenses.

These projects' locations are qualified as territories of special economical and social difficulties in accordance with the Decree 124/2008/ND-CP dated 11 December 2008. Pursuant to Circular 130/2008/TT-BTC dated 26 December 2008 issued by Vietnam Minister of Finance that provide guidance on CIT, the Company is entitled to preferential tax rate of 10% during the first 15 years commencing from the first revenue generating year, CIT exemption for 4 years commencing from the first year the Company makes a taxable profit and a 50% reduction for the following 9 years for taxable profits derived from the projects in Hon Tre Island.

The Company's first revenue generating year was 2004 and its first profit making year was 2006, thus the CIT rate applicable for the six-month period ended 30 June 2010 is 5%.

The subsidiaries have the obligation to pay CIT at the rate of 25% of its taxable profit.

Also, and in accordance to Circular 130/TT-BTC, the Company has the obligation to pay CIT at the rate of 25% for income from other activities.

The tax returns of the Company and its subsidiaries are prepared based on prevailing tax regulations. These tax returns are subject to examination by the tax authorities and as a result, the amounts reported in the interim consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

### **27.1 Current corporate income tax**

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

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

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

**27.1 Current corporate income tax** (continued)

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

	<i>Profit from operating activities</i>	<i>Profit from other activities</i>	<i>Total</i>
	VND	VND	VND
<b>Profit before tax</b>	<b>52,789,895,027</b>	<b>(7,326,518,231)</b>	<b>45,463,376,796</b>
<i>Adjustments to increase</i>	<i>31,718,049,388</i>	<i>14,584,927,264</i>	<i>46,302,976,652</i>
Amortisation of goodwill	-	5,688,712,210	5,688,712,210
Loss in associates	-	8,896,215,054	8,896,215,054
Interest from intra-group transaction	25,030,328,712	-	25,030,328,712
Other increase	6,687,720,676	-	6,687,720,676
<i>Adjustments to decrease</i>	<i>(23,825,762,637)</i>	<i>(2,003,200,307)</i>	<i>(25,828,962,944)</i>
Profit in associates	-	(848,654,418)	(848,654,418)
Capitalization of loan interest borrowed by the Parent from third party	(14,880,152,145)	-	(14,880,152,145)
Interest expenses from intra-group transactions	(7,846,677,942)	(920,784,889)	(8,767,462,831)
Dividends	-	(233,761,000)	(233,761,000)
Other decrease	(1,098,932,550)	-	(1,098,932,550)
<b>Adjusted net profit before loss carried forward and tax</b>	<b>60,682,181,778</b>	<b>5,255,208,726</b>	<b>65,937,390,504</b>
Tax loss carried forward	-	(4,619,551,305)	(4,619,551,305)
<b>Estimated current taxable profit</b>	<b>60,682,181,778</b>	<b>635,657,421</b>	<b>61,317,839,199</b>
Portion subject to 10% CIT at 50% incentive	59,530,699,591	-	59,530,699,591
Portion subject to 25% CIT	1,151,482,187	635,657,421	1,787,139,608
<b>Current CIT</b>	<b>3,264,405,526</b>	<b>158,914,355</b>	<b>3,423,319,882</b>
<b>CIT payable at the beginning of the year</b>			<b>(814,181,347)</b>
<i>In which</i>			
CIT payable			389,456,570
CIT prepaid			(1,203,637,917)
CIT paid during the year			(546,335,169)
<b>CIT payable at the end of the year</b>			<b>2,062,803,366</b>
<i>In which</i>			
CIT prepaid			(11,892,063)
CIT payable			2,074,605,431

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

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

**27.2 Deferred corporate income tax**

The following are the deferred tax assets and liabilities recognized by the Group, and the movements thereon, during the current and prior reporting period.

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2010</i>	<i>31 December 2009</i>	<i>For the six-month period ended 30 June 2010</i>	<i>For the year ended 31 December 2009</i>
	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>
<b>Deferred tax asset</b>				
Unrealised losses on foreign currency denominated balances	621,591,570	648,032,725	(26,441,155)	(88,258,722)
Provision for severance allowance	182,530,582	265,982,682	(83,452,100)	(25,142,485)
	<b>804,122,152</b>	<b>914,015,407</b>	<b>(109,893,255)</b>	<b>(113,401,207)</b>
<b>Deferred tax liability</b>				
Differences on capitalisation of Group borrowing costs	618,280,093	963,958,527	345,678,434	243,212,171
	<b>618,280,093</b>	<b>963,958,527</b>	<b>345,678,434</b>	<b>243,212,171</b>
<b>Deferred tax income (expenses) calculated in interim consolidated income statement</b>			<b>235,785,179</b>	<b>129,810,964</b>
<b>Deferred tax income (expenses) calculated in owner equity</b>			<b>-</b>	<b>-</b>

**28. TRANSACTIONS WITH RELATED PARTIES**

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

<i>Name</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Amount</i>
			<i>VND</i>
Phan Thi Hoa	Nam Qua Tourism Co., Ltd's shareholder	- Advances	1,000,000,000
Vitours JSC	Associate	- Dividends receivable	508,630,000
Vincharm Development and Services JSC	Associate	- Interest receivables from advances for investment projects	1,810,130,000
		- Interest from advances for investment projects received	8,000,030,000
		- Disposal of assets	173,702,600
		- Cash collected from disposed assets	173,702,600
		- Collection of advances for investment projects.	296,000,000,000

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

**28. TRANSACTIONS WITH RELATED PARTIES**

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

<i>Name</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Amount</i>
			<i>VND</i>
PCM JSC	Associate	- Consultation and management fee	2,374,400,000
		- Consultation and management fee paid	2,219,612,200
Vietnam Tourism in Ho Chi Minh City JSC	Associate	- Dividends receivable	1,750,740,000
		- Down payment for services rendered	389,287,950
		- Services rendered	2,488,653,390
		- Cash collection for services rendered	2,181,434,437
Royal City Real Estate Development and Investment JSC	Associate	- Capital contribution	14,700,000,000
		- Interest receivables from advance for investment projects	124,211,853,200
		- Interest from advances for investment projects received	158,000,000,000
Vinpearl Hoi An JSC	Associate	- Interest receivables from advance for investment projects	19,211,333,400
		- Interest from advances for investment projects received	25,000,000,000
An Vien JSC	Owned by a family member of a member of the BoM	- Sales from hotel room and related service	691,436,524
		- Cash received from credit sales of hotel room and related service	313,310,060
Vincom JSC	Common owner	- Acquisition of LUR	67,245,044,000
		- Payment for acquisition of LUR	67,245,044,000
		- Utility and rental fee	772,233,212
		- Payment for rental fee	612,615,664
		- Disposal of tools and equipment	827,556,746
		- Proceeds from car rental	88,000,000
		- Cash collected from disposal of assets	5,523,340,946
		- Acquisition of tools and equipment	26,110,000
		- Payment in lieu	1,147,344,800
		- Revenue from provision of hotel services	200,379,224
Ha Noi Investment and General Services JSC (IGS)	Associate	- Cash received from provision of hotel services	170,851,723
		- Interest receivables from advance for investment projects	35,361,111,110
Vinpearl Danang JSC Sinh Thai Investment and Development JSC	Associate GCD not controlling shareholder	- Interest from advances for investment projects received	34,000,000,000
		- Capital contribution	104,650,000,000
		- Advance clearance	60,000,000,000
		- Interest receivables from advance for investment projects	14,371,000,000
Pham Hong Linh	Family member of a member of the Board	- Interest from advance for investment projects received	25,000,000,000
		- Advance clearance	395,495,320,000
		- Lending	395,500,000,000
Vu Tuyet Hang	Board of Management member	- Principal and interest repayment	146,100,000,000
		- Interest income on lending	13,817,400,100
		- Advance clearance	20,000,000,000
		- Lending	20,000,000,000
		- Interest income on lending	799,999,900

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

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

*Terms and conditions of transactions with related parties*

The sale of goods to related parties is made at the Group's usual list prices. Purchases are made at market price discounted to reflect the quantity of goods purchased.

Outstanding balances at 30 June 2010 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2010, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2009: nil). This assessment is undertaken each year through the examination of the financial position of the related party and the market in which the related party operates.

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

	<i>Relationship</i>	<i>Transaction</i>	<i>Amount VND</i>
<b>Receivables</b>			
Phan Thi Hoa	Nam Qua Tourism Co., Ltd's shareholder	- Advances	4,300,000,000
Vitours JSC	Associate	- Dividends receivable	1,017,360,000
Vincharm Development and Services JSC	Associate	- Advances for investment projects	4,000,000,000
		- Interest from advances for investment projects receivable	1,779,180,000
Vietnam Tourism in Ho Chi Minh City JSC	Associate	- Dividends receivable	1,750,740,000
		- Down payment for the service rendered	389,287,950
Royal City Real Estate Development and Investment JSC	Associate	- Receivable for services rendered	201,755,673
		- Advances for investment projects	1,871,600,000,000
		- Interest from advances for investment projects receivable	425,866,500
Vinpearl Hoi An JSC	Associate	- Advances for investment projects	300,000,000,000
		- Interest from advances for investment projects receivable	13,718,000,100
An Vien JSC	Owned by a family member of a member of the BoM	- Hotel services provision	444,318,342
Vincom JSC - Representative in Ho Chi Minh City	Common owner	- Hotel services provision	827,556,746
Ha Noi Investment and General Services JSC (IGS)	Associate of subsidiary	- Loan	68,646.733,300
		- Advances for investment projects	475,000,000,000
		- Interest from advances for investment projects received	14,918.970,044
Pham Hong Linh	Family member of a member of the Board	- Lending	249,400,000,000
Vu Tuyet Hang	Board of Management member	- Interest income on lending	13,817.400,100
		- Advance for land use rights compensation	302,213.660,000
		- Lending	20,000 000,000
		- Interest income on lending	799 999,900
			<b>3,345,250.828,655</b>
<b>Payables</b>			
PCM JSC	Associate	- Designing fee	246.400,000
Vincom JSC	Common owners	- Office rental	235.762,800
			<b>482,162,800</b>
<b>Short-term loan</b>			
Sinh Thai Investment and Development JSC (*)	GCD's shareholder	- Short-term loan	200,000,000,000
		- Loan interest	7,298,000,000
			<b>207,298,000,000</b>

(\*) Unsecured loan with interest rate of 12.6% per annum, which is matured on 16 December 2010.

**Vinpearl Joint Stock Company**  
[previously known as Vinpearl Land Tourism Joint Stock Company]

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**28. TRANSACTIONS WITH RELATED PARTIES (continued)**

Terms and conditions of the loans and advances to related parties are as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Outstanding balance</i>	<i>Interest rate</i>	<i>Mature date</i>	<i>Collateral</i>	<i>Interest receivable</i>
		VND	% p.a.			VND
Royal City Real-estates Investment and Development JSC	Associate	1,871,600,000,000	(1)	24 September 2012	LUR and assets to be formed in the future of Royal City project	425,866,500
Vincharm Development and Services JSC	Associate	4,000,000,000	(2)	18 September 2010	Share/ share options of Vincharm shareholders	1,779,180,000
Vinpearl Hoi An JSC	Associate	200,000,000,000	(3)	18 September 2010	Share/ share options of other shareholders of Vinpearl Hoi An	13,718,000,100
		100,000,000,000	(1)	24 September 2012	None	
Ha Noi Investment and General Service Co., Ltd.	Associates	475,000,000,000	(4)	2 October 2010	None	14,918,970,044
Vu Tuyet Hang	Member of Board of Management	20,000,000,000	8%	1 January 2011	Share/ share options of shareholders of Sinh Development JSC	20,000,000,000
Pham Hong Linh	Family member of a member of the Board	249,400,000,000	8%	1 January 2011	Share/ share options of shareholders of Sinh Thai Investment and Development JSC	13,817,400,100

(1): interest rate in the first year was 12% p.a. and for the following years, interest will be determined based on the average 12-month VND saving rates of Bank for Investment and Commerce of Vietnam + 3% p.a.

(2): interest rate is 10.44% p.a. for the period from 1 January 2010 to 30 April 2010 and 11% p.a. since 1 May 2010.

(3): interest rate is 10.44% p.a. for the period from 1 January 2010 to 17 March 2010 and 14% p.a. since 18 March 2010.

(4): interest rate is 13.6% p.a. for the period from 1 January 2010 to 5 May 2010 and 17.5% p.a. since 6 May 2010.

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

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

*Transactions with other related parties*

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

	<i>For the six-month period ended 30 June 2010</i>	<i>For the six-month period ended 30 June 2009</i>
	VND	VND
Salaries and bonus	1,024,838,013	672,458,502
Other benefits	-	-
	<b><u>1,024,838,013</u></b>	<b><u>672,458,502</u></b>

**29. EARNINGS PER SHARE**

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

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

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

	<i>For the six-month period ended 30 June 2010</i>	<i>For the six-month period ended 30 June 2009</i>
Net profit after tax attributable to ordinary equity holders for basic earnings	41,369,277,059	40,048,692,995
Interest on convertible preference shares	-	-
<b>Net profit attributable to ordinary equity holders adjusted for the effect of dilution</b>	<b><u>41,369,277,059</u></b>	<b><u>40,048,692,995</u></b>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	112,999,759	100,000,000
<i>Effect of dilution:</i>		
Rights issue	46,887,851	46,887,851
Convertible preference shares	-	12,999,759
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b><u>159,887,610</u></b>	<b><u>159,887,610</u></b>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these interim consolidated financial statements.

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

### 30. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Company's operating segments comprised of:

- ▶ Hotel, amusement park and related services, which include the operations of two five star hotels and an amusement park in Hon Tre island, Vinh Nguyen Ward, Nha Trang city, Khanh Hoa, Vietnam; and
- ▶ Real estate development activities.

	<i>Hotel and other services VND</i>	<i>Investment activities VND</i>	<i>Others VND</i>	<i>Total VND</i>
<b>Revenue</b>				
Third party	338,922,702,922	-	-	338,922,702,922
Inter-segment	-	-	-	-
<b>Total revenue</b>	<b>338,922,702,922</b>	<b>-</b>	<b>-</b>	<b>338,922,702,922</b>
<b>Results</b>				
Depreciation and amortisation	35,486,394,640	11,905,866	-	35,498,300,506
Share of loss in associates	(10,529,067,688)	(3,207,205,158)	-	(13,736,272,846)
<b>Segment profit/(loss)</b>	<b>115,681,251,364</b>	<b>4,619,551,305</b>	<b>(74,837,425,873)</b>	<b>45,463,376,796</b>
<b>Assets</b>				
Investment in associates	798,859,383,928	241,844,878,173	-	1,040,704,262,101
Capital expenditure	20,573,117,652	16,042,399,522	-	36,615,517,174
<b>Operating assets</b>	<b>2,418,503,574,583</b>	<b>1,230,521,101,349</b>	<b>3,144,613,413,931</b>	<b>6,793,638,089,863</b>
<b>Operating liabilities</b>	<b>169,358,568,190</b>	<b>207,229,855,500</b>	<b>4,643,631,920,062</b>	<b>5,020,220,343,752</b>

(1) Profit for each operating segment does not include finance income (VND212,418,426,743), other income (VND1,432,196,603), finance costs (VND283,774,861,212) and other expenses (VND4,913,188,007).

(2) Segment assets do not include other long-term investments (VND2,038,309,441,443), loans (VND1,052,366,733,300) and interest receivables from loans (VND53,937,239,188) as these assets are managed on a group basis.

(3) Segment liabilities do not include interest bearing borrowings and corporate bonds (VND4,518,320,727,776) and interest payables from borrowings and bonds (VND118,013,192,286) as these liabilities are managed on a group basis.

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

**31. COMMITMENTS**

**Capital commitment relating to investment activities:**

<i>No</i>	<i>Name of investee</i>	<i>Investee's chartered capital</i>	<i>The Group's capital contribution commitment</i>		<i>Committed capital at 30 June 2010</i>
			<i>Amount</i>	<i>%</i>	
1	Royal City Real Estate Development and Investment JSC	2,000,000,000,000	680,000,000,000	34%	291,200,000,000
2	Vinpearl Da Nang JSC	288,000,000,000	115,200,000,000	40%	10,550,000,000
3	Tay Tang Long Real Estate Company Limited	300,000,000,000	147,000,000,000	49%	147,000,000,000
4	Hon Mot Tourism JSC	60,000,000,000	9,000,000,000	15%	9,000,000,000
			<b>951,200,000,000</b>		<b>457,750,000,000</b>

**Guarantee**

In accordance with the mortgage contract signed between the Company, Vincom JSC and Vinpearl Hoi An JSC, the Company agreed to provide a guarantee for the 6-month loan (of VND250,000,000,000 with an interest rate of 16.7% p.a.) that Vinpearl Hoi An borrowed from Vincom JSC. This guarantee is pledged by the entire share subscription rights that the Company has in Vinpearl Hoi An.

**Commitments relating to construction in progress:**

As at 30 June 2010, the Group has outstanding commitments amounting to VND42 billion, which relate primarily to on-going contracts for the design and construction of the golf course, villas and a six-star hotel (under the Bai Tru Project) at Hon Tre Island, Nha Trang City, Khanh Hoa.

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

**32. EFFECTS OF CIRCULAR 201 TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As mentioned in Note 3.15, since 2009, the Group follows the guidance provided under Circular 201 which is different from VAS 10. The differences are as follows:

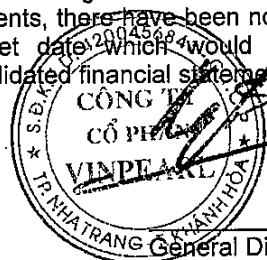
	VAS 10	Circular 201	Difference
	VND	VND	VND
<b>Consolidated balance sheet</b>			
Foreign exchange difference reserve	-	2,029,603,028	(2,029,603,028)
<b>Consolidated income statement</b>			
Foreign exchange gains	284,170,259	284,170,259	-
Foreign exchange loss	8,487,868,861	8,487,868,861	-
<i>In which</i>			
- Amount charged to the interim consolidated income statements	8,487,868,861	6,458,265,833	2,029,603,028
- Amount deferred in the interim consolidated balance sheet	-	2,029,603,028	(2,029,603,028)
Net foreign exchange loss charged to the interim consolidated income statement	8,203,698,602	6,173,913,574	2,029,785,028
<b>Earnings per share</b>			
- Basis	348	366	(18)
- Diluted	246	259	(13)

**33. EVENTS AFTER THE INTERIM BALANCE SHEET DATE**

Other than the completion of rights issue to existing shareholders as disclosed in Note 20.1 to the interim consolidated financial statements, there have been no other significant events occurring after the interim balance sheet date which would require adjustments or disclosures to be made in the interim consolidated financial statements.



Chief Accountant  
Nguyen Thinh



General Director  
Nguyen Trong Hien

27 August 2010