



**Investment and Trading of Real Estate
Joint Stock Company**

Consolidated financial statements

31 December 2012

Ernst & Young

 **ERNST & YOUNG**

Investment and Trading of Real Estate Joint Stock Company

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Investment and Trading of Real Estate Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company established in Vietnam in accordance with Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange in accordance with Decision No. 115/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The Company's principal activities are to invest and trade real estate properties and related services; to execute civil construction works and industrial projects and interior decoration; to construct infrastructure of urban areas and industrial parks, site levelling, bridges and roads and water drainage system; to invest in construction of public projects, tourist and entertainment areas; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Company's registered office is located at 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Nguyen Thuc Quang	Chairman
Mr. Truong Minh Thuan	Member
Mr. Le Tuan	Member
Ms. Duong Thanh Thuy	Member
Ms. Le Thi Khanh Xuong	Member

BOARD OF SUPERVISION

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

Ms. Pham Thi Hong Lien	Head of the Board of Supervision	appointed on 9 July 2012
Ms. Pham Thi Anh Trang	Head of the Board of Supervision	resigned on 26 April 2012
Mr. Le Quang Son	Member	appointed on 26 April 2012
Ms. Nguyen Thi Lang	Member	resigned on 5 March 2013

MANAGEMENT

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

Mr. Truong Minh Thuan	General Director
Mr. Nguyen Ba Dai	Deputy General Director
Mr. Le Van Truong	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Truong Minh Thuan.

AUDITORS

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

Investment and Trading of Real Estate Joint Stock Company

REPORT OF MANAGEMENT

Management of Investment and Trading of Real Estate Joint Stock Company ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2012.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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


Management has confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2012 and of the consolidated results of its operations and its consolidated cash flows for the year ended 31 December 2012 in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.

For and on behalf of the management:





Truong Minh Thuan
General Director

26 March 2013

Reference: 60792124/15503258

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Investment and Trading of Real Estate Joint Stock Company

We have audited the consolidated financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") and its subsidiary ("the Group") as set out on pages 4 to 42 which comprise the consolidated balance sheet as at 31 December 2012, and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

The preparation and presentation of these consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Basis of opinion

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2012, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.



Ernst & Young Vietnam Limited



Narciso T. Torres Jr.
Deputy General Director
Certificate No. N.0868/KTV



Bui Xuan Vinh
Auditor
Certificate No. 0842/KTV

Ho Chi Minh City, Vietnam

26 March 2013

CONSOLIDATED BALANCE SHEET
as at 31 December 2012

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		2,177,452,303,802	2,220,462,451,574
110	I. Cash and cash equivalents	4	12,021,714,472	16,525,188,339
111	1. Cash		12,021,714,472	8,525,188,339
112	2. Cash equivalents		-	8,000,000,000
130	II. Current accounts receivable		337,227,624,390	476,237,213,195
131	1. Trade receivables	5	118,333,536,901	223,125,488,034
132	2. Advances to suppliers	6	156,781,816,418	199,426,351,789
135	3. Other receivables	7	72,362,796,282	63,935,898,583
139	4. Provision for doubtful debts		(10,250,525,211)	(10,250,525,211)
140	III. Inventories	8	1,827,739,071,412	1,727,310,853,899
141	1. Inventories		1,910,635,028,154	1,838,896,483,021
149	2. Provision for obsolete inventories		(82,895,956,742)	(111,585,629,122)
150	IV. Other current asset		463,893,528	389,196,141
158	1. Other current assets		463,893,528	389,196,141
200	B. NON-CURRENT ASSETS		484,224,406,819	540,868,988,364
220	I. Fixed assets		49,320,811,610	51,084,279,830
221	1. Tangible fixed assets	9	47,112,400,723	51,076,173,352
222	Cost		71,945,416,426	72,979,353,113
223	Accumulated depreciation		(24,833,015,703)	(21,903,179,761)
227	2. Intangible fixed assets	10	-	8,106,478
228	Cost		37,700,000	37,700,000
229	Accumulated amortisation		(37,700,000)	(29,593,522)
230	3. Construction in progress		2,208,410,887	-
240	II. Investment properties	11	98,772,897,729	103,194,563,425
241	1. Cost		110,541,642,390	110,541,642,390
242	2. Accumulated depreciation		(11,768,744,661)	(7,347,078,965)
250	III. Long-term investments	12	310,727,716,739	353,433,706,302
252	1. Investments in associates	12.1	267,751,216,739	267,647,506,302
258	2. Other long-term investments	12.2	51,901,500,000	102,046,200,000
259	3. Provision for long-term investments	12.2	(8,925,000,000)	(16,260,000,000)
260	IV. Other long-term assets		25,402,980,741	33,156,438,807
261	1. Long-term prepaid expenses		3,821,531,906	5,050,711,941
262	2. Deferred tax assets	25.2	21,519,448,835	28,043,726,866
268	3. Other long-term assets		62,000,000	62,000,000
270	TOTAL ASSETS		2,661,676,710,621	2,761,331,439,938

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2012

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		884,829,900,334	957,442,989,002
310	I. Current liabilities		625,802,504,369	778,793,431,065
311	1. Short-term loans and borrowing	14	193,370,866,943	231,545,297,880
312	2. Trade payables		21,903,063,000	41,518,635,051
313	3. Advances from customers	15	278,648,703,715	323,481,123,201
314	4. Statutory obligations	16	68,180,787,759	90,650,912,755
315	5. Payables to employees		1,480,723,660	528,805,000
316	6. Accrued expenses	17	11,500,778,777	13,435,400,491
319	7. Other payables	18	36,391,072,220	62,733,176,281
320	8. Short-term provision		5,631,701,090	6,951,852,198
338	9. Unearned revenue		8,059,467,942	6,769,444,245
343	10. Bonus and welfare fund		635,339,263	1,178,783,963
330	II. Non-current liabilities		259,027,395,965	178,649,557,937
333	1. Long term liabilities		6,490,687,473	4,965,557,937
334	2. Long-term loans	19	252,536,708,492	173,684,000,000
400	B. OWNERS' EQUITY	20.1	1,770,035,859,454	1,797,398,013,319
410	I. Capital		1,770,035,859,454	1,797,398,013,319
411	1. Share capital		690,866,880,000	690,866,880,000
412	2. Share premium		974,114,436,600	974,114,436,600
414	3. Treasury shares		(9,825,117,611)	(9,825,117,611)
417	4. Investment and development fund		30,640,486,547	30,640,486,547
418	5. Financial reserve fund		26,559,466,833	26,559,466,833
420	6. Undistributed earnings		57,679,707,085	85,041,860,950
439	C. MINORITY INTERESTS		6,810,950,833	6,490,437,617
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,661,676,710,621	2,761,331,439,938


Pham Van Khanh
Preparer

Đoàn Hữu Chí
Chief AccountantTrương Minh Thuận
General Director

26 March 2013

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2012

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	21.1	139,916,172,568	167,115,550,588
10	2. Net revenue from sale of goods and rendering of services		139,916,172,568	167,115,550,588
11	3. Cost of goods sold and services rendered	22	(97,721,958,369)	(255,659,829,206)
20	4. Gross profit (loss) from sale of goods and services rendered		42,194,214,199	(88,544,278,618)
21	5. Financial income	21.2	23,275,764,780	20,286,999,022
22	6. Financial expenses	23	(44,573,785,194)	(58,226,103,603)
23	- In which: Interest expense		(43,510,635,023)	(39,899,900,475)
24	7. Selling expenses		(714,176,375)	(465,727,338)
25	8. General and administration expenses		(25,623,053,621)	(32,583,968,284)
30	9. Operating loss		(5,441,036,211)	(159,533,078,821)
31	10. Other income	24	25,270,558,479	11,094,691,927
32	11. Other expenses	24	(5,655,179,731)	(4,364,418,874)
40	12. Other profit	24	19,615,378,748	6,730,273,053
44	13. Share of profit (loss) in associates	12.1	343,710,437	(5,906,923,953)
50	14. Profit (loss) before tax		14,518,052,974	(158,709,729,721)
51	15. Current corporate income tax expense	25.1	(712,251,592)	(4,038,783,884)
52	16. Deferred income tax (expense) benefit	25.2	(6,524,278,031)	25,883,052,337
60	17. Net profit (loss) after tax		7,281,523,351	(136,865,461,268)
	Attributable to:			
	17.1 Minority interests		320,513,216	490,437,617
	17.2 Equity holders to the parent		6,961,010,135	(137,355,898,885)
70	18. Basic earnings (loss) per share	20.4	101	(2,001)



Phạm Văn Khanh
Preparer



Doan Hữu Chí
Chief Accountant




Trương Minh Thuận
General Director

26 March 2013

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2012

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit (loss) before tax		14,518,052,974	(158,709,729,721)
	Adjustments for:			
02	Depreciation and amortisation	9,10,11	8,495,772,121	8,570,363,748
03	Provisions		(28,689,672,380)	121,027,712,860
05	Profit from investing activities		(22,408,873,765)	(14,476,950,740)
06	Interest expense	23	43,510,635,023	39,899,900,475
08	Operating profit (loss) before changes in working capital		15,425,913,973	(3,688,703,378)
09	Decrease in receivables		138,934,891,418	199,830,061,004
10	Increase in inventories		(71,738,545,133)	(389,518,735,646)
11	(Decrease) increase in payables		(95,047,200,496)	126,585,760,946
12	Decrease (increase) in prepaid expenses		1,229,180,035	(4,186,904,612)
13	Interest paid		(43,529,949,796)	(35,522,091,935)
14	Corporate income tax paid	25.1	(18,562,820,961)	(13,769,699,571)
16	Other cash outflows from operating activities		(543,444,700)	-
20	Net cash used in operating activities		(73,831,975,660)	(120,270,313,192)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(2,347,688,205)	(2,917,196,002)
22	Proceeds from disposals of fixed assets	24	216,222,273	173,636,364
25	Payments for investments in other entities		-	(4,269,600,000)
26	Proceeds from sale of investments in other entities		63,029,264,118	30,141,395,000
27	Interest and dividend received		1,869,376,937	13,320,933,329
30	Net cash from investing activities		62,767,175,123	36,449,168,691

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2012

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Capital redemption		-	(9,825,117,611)
33	Drawdown of borrowings		103,421,198,284	269,847,508,037
34	Repayment of borrowings		(62,742,920,729)	(224,583,547,208)
36	Dividends paid	20.2	(34,116,950,885)	(28,677,560)
40	Net cash from financing activities		6,561,326,670	35,410,165,658
50	Net decrease in cash and cash equivalents		(4,503,473,867)	(48,410,978,843)
60	Cash and cash equivalents at beginning of year	4	16,525,188,339	64,936,167,182
70	Cash and cash equivalents at end of year	4	12,021,714,472	16,525,188,339



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant




Trương Minh Thuận
General Director

26 March 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 31 December 2012**1. CORPORATE INFORMATION**

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company established in Vietnam in accordance with Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange in accordance with Decision No. 115/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The Company's principal activities are to invest and trade real estate properties and related services; to execute civil construction works and industrial projects and interior decoration; to construct infrastructure of urban areas and industrial parks, site levelling, bridges and roads and water drainage system; to invest in construction of public projects, tourist and entertainment areas; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Head Office of the Company is located at 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

The Company has a subsidiary, Intresco Construction Joint Stock Company ("IC"), (the Company and IC collectively referred to as "the Group"). IC is a shareholding company in which the Company holds 85% ownership interest was established in accordance with Business Registration Certificate No. 0310626100 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 February 2011. IC's registered office is located at 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

IC's principal activities are to construct civil and industrial projects; and to invest and construct infrastructure of residential areas and construction-related services.

The number of the Group's employees as at 31 December 2012 was 194 (31 December 2011: 212).

2. BASIS OF PREPARATION**2.1 Accounting standards and system**

The consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standards ("VAS") 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 Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (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 Accounting Standards (Series 5).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

2. BASIS OF PREPARATION (continued)

2.2 Applied accounting documentation system

The Group's applied accounting documentation system is the Journal Voucher 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.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary for the year ended 31 December 2012.

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

The financial statements of the subsidiary are prepared for the same reporting year as the Company, using consistent accounting policies.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in accounting policy and disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011, except for the change in the accounting policy in relation to foreign currency transactions.

For the year ended 31 December 2012, the Group adopts Circular No. 179/2012/TT-BTC providing guidance on recognition, measurement, treatment for foreign exchange differences issued by the Ministry of Finance on 24 October 2012 ("Circular 179") in addition to Vietnamese Accounting Standard No. 10 - Effects of Changes in Foreign Exchange Rates (the "VAS 10") adopted in prior years.

Following Circular 179, at the end of the year, monetary assets and liabilities denominated in foreign currencies are translated into VND using buying exchange rate announced by the commercial bank where the Group maintains bank accounts. In 2011, inter-bank exchange rates ruling at the balance sheet date was used for this translation.

Circular 179 is applied from 2012 on a prospective basis. Impact of the change from using interbank exchange rate to buying exchange rate announced by the commercial bank for the year end translation to the consolidated financial statements as at and for the year ended 31 December 2012 is immaterial as a whole.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Cash

Cash comprise cash on hand and cash in banks.

3.3 Inventories

Inventory properties

Inventory properties, comprising mainly real estate properties, acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes:

- Land use rights.
- Construction and development costs.
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

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

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

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

Other inventories

Inventories are stated 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 as follows:

Raw materials	- cost of purchase on a weighted average basis.
Work-in-process	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity.

Provision for obsolete inventories

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Receivables*

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

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

3.5 *Fixed assets*

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and amortisation.

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

3.6 *Depreciation and amortisation*

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

Buildings and structures	10 – 25 years
Machinery and equipment	2 – 10 years
Motor vehicles	5 – 10 years
Office equipment	3 – 5 years
Computer software	3 years

The useful life of the fixed assets and depreciation rates are reviewed periodically to ensure that the method and the year of the depreciation and amortisation are consistent with the expected pattern of economic benefits that will be derived from the use of fixed assets.

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

Land use rights	25 – 50 years
Buildings	25 – 50 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Borrowing costs*

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

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

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

3.9 *Prepaid expenses*

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

3.10 *Investments in associates*

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

Under the equity method, the investment is carried in the 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 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 consolidated income statement and its share of post-acquisition movements in reserves is recognized 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 year as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3.11 *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 No. 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 consolidated income statement.

3.12 *Payables and accruals*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Accrual for severance pay*

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

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 42 of the Labour Code.

3.14 *Provisions*

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.15 *Basic earnings (loss) per share*

Basic earnings (loss) per share amount is computed by dividing net profit (loss) for the year attributable to ordinary shareholders, before appropriation for funds by the weighted average number of ordinary outstanding shares during the year, where applicable.

3.16 *Treasury shares*

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

3.17 *Appropriation of net profit*

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Financial reserve fund

This fund is set aside to protect the Group's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

Investment and development fund

This fund is set aside for use in the Group's expansion of its operation.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' material and spiritual benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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. The following specific recognition criteria must also be met before revenue is recognised:

Construction contract

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed and certified by customers at the balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the year in which they are incurred.

Rental income

Rental income receivable under operating leases is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable year of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Premiums received to terminate leases are recognized in the consolidated income statement when they arise.

Sale of completed property

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

Interest

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

Dividends

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

3.19 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years 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 consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *Taxation* (continued)

Deferred income tax

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

Deferred tax liabilities are recognised for all taxable temporary differences. 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.

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

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

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

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.

3.20 *Financial instruments*

Initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

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

The Group's financial assets include cash, trade and other receivables, and unquoted financial instruments.

Financial liabilities

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Financial instruments (continued)

Financial instruments – subsequent re-measurement

There is currently no guidance in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

Offsetting of financial instruments

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

4. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	3,555,749,015	1,719,237,310
Cash in banks	8,465,965,457	6,805,951,029
Cash equivalents	-	8,000,000,000
TOTAL	<u>12,021,714,472</u>	<u>16,525,188,339</u>

5. TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Receivables from sales of land lots and apartments (*)	71,253,233,520	166,029,789,865
Receivables from construction services	29,472,351,543	36,772,790,132
Receivables from Hai Au Concrete Joint Stock Company	9,826,095,208	11,041,808,707
Others	7,781,856,630	9,281,099,330
TOTAL	<u>118,333,536,901</u>	<u>223,125,488,034</u>
Provision for doubtful debts	(10,250,525,211)	(10,250,525,211)
NET	<u>108,083,011,690</u>	<u>212,874,962,823</u>

(*) Receivables from sales of land lots and apartments mainly represent the remaining 5% - 10% of the contract price pending the completion of the legal procedure to hand over houses and land use rights to the customers. Details by projects are as follows:

	VND	
	Ending balance	Beginning balance
6B Project	28,188,960,346	41,271,767,131
Thinh Vuong building	17,550,336,090	44,351,264,035
An Khang building	15,594,914,814	63,926,156,062
Phong Phu Project	5,088,424,600	8,503,944,600
Binh Hoa Project	3,132,310,125	6,278,370,492
An Cu building	1,698,287,545	1,698,287,545
TOTAL	<u>71,253,233,520</u>	<u>166,029,789,865</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012**5. TRADE RECEIVABLES (continued)**

Details of movements of provision for doubtful debts are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Provision for doubtful debts at beginning of year	10,250,525,211	10,388,801,211
Less: Reversal during the year	<u>-</u>	<u>(138,276,000)</u>
Provision for doubtful debts at end of year	<u>10,250,525,211</u>	<u>10,250,525,211</u>

6. ADVANCES TO SUPPLIERS

Advances to suppliers represent non-interest bearing advances to sub-contractors related to the following real estate projects:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Binh Trung Dong Project	43,795,000,000	43,795,000,000
Lot E4 An Phu, An Khanh Project	27,505,000,000	27,505,000,000
Long Binh Ward – District 9 Project	19,899,197,600	19,899,197,600
Minh Khai Street – Hanoi Project	12,000,000,000	12,000,000,000
Nhon Duc Commune, Nha Be District Project	10,000,000,000	10,000,000,000
6B Project	-	47,000,000,000
Others	<u>43,582,618,818</u>	<u>39,227,154,189</u>
TOTAL	<u>156,781,816,418</u>	<u>199,426,351,789</u>

7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advance to employees related to Tang Nhon Phu project	42,270,218,428	-
Advance for Dak Nong project	20,000,000,000	20,000,000,000
Advance for land compensation	1,700,000,000	34,239,761,311
Receivable from a related party (Note 26)	1,592,901,607	1,592,901,607
Others	<u>6,799,676,247</u>	<u>8,103,235,665</u>
TOTAL	<u>72,362,796,282</u>	<u>63,935,898,583</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

8. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Real estate properties and construction projects in progress (*)	1,910,635,028,154	1,820,402,777,606
Properties for sales	-	18,490,724,765
Raw materials	-	2,980,650
TOTAL	<u>1,910,635,028,154</u>	<u>1,838,896,483,021</u>
Provision for obsolete inventories	(82,895,956,742)	(111,585,629,122)
NET	<u>1,827,739,071,412</u>	<u>1,727,310,853,899</u>

(*) Real estate properties and construction projects in process included costs incurred for the following on-going real estate and construction projects:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Long Thoi - Nha Be Project (i)	749,451,849,715	629,512,174,805
146 Nguyen Van Troi, Phu Nhuan (ii)	545,050,672,896	528,939,941,805
106 Ly Chinh Thang Building (iii)	207,411,540,447	207,153,701,933
Long Phuoc, District 9 Project	124,232,665,279	150,662,450,479
6A Project	125,171,184,160	124,766,939,313
6B Project	73,374,189,876	72,640,359,876
Tang Nhon Phu Project	21,363,766,189	41,372,261,834
Others	64,579,159,592	65,354,947,561
TOTAL	<u>1,910,635,028,154</u>	<u>1,820,402,777,606</u>

(i) Land use right of 24,047 square meters on total land of 484,814 square meters at Long Thoi – Nha Be Project was pledged to obtain the loan from Gia Dinh Development Investment Corporation (*Note 14*).

(ii) Land use rights at No. 146 Nguyen Van Troi Street, Phu Nhuan District and 223 Hoang Van Thu Street, Phu Nhuan District were pledged to obtain the loan from Saigon Commercial Joint Stock Bank – District 4 branch (*Note 19*).

(iii) Land use right at No. 106 Ly Chinh Thang Street, District 3 was pledged to obtain the loan from Bank for Investment and Development of Vietnam (*Notes 14 and 19*).

Details of movements of provision for obsolete inventories are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Provision for obsolete inventories at beginning of year	111,585,629,122	13,657,432,253
Add: Provision created during the year	-	97,928,196,869
Less: Reversal during the year	(28,689,672,380)	-
Provision for obsolete inventories at end of year	<u>82,895,956,742</u>	<u>111,585,629,122</u>

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

9. TANGIBLE FIXED ASSETS

	Buildings and structures (*)	Machinery and equipment	Motor vehicles	Office equipment	Total	VND
Cost:						
Beginning balance	56,756,951,958	5,761,507,267	7,380,228,042	3,080,665,846	72,979,353,113	
Newly purchased	-	47,777,500	-	91,499,818	139,277,318	
Adjustment	-	(46,312,500)	-	-	(46,312,500)	
Disposal	-	-	(400,343,556)	(726,557,949)	(1,126,901,505)	
Ending balance	56,756,951,958	5,762,972,267	6,979,884,486	2,445,607,715	71,945,416,426	
<i>In which:</i>						
Fully depreciated	208,068,806	284,470,513	844,310,602	988,352,789	2,325,202,710	
Accumulated depreciation:						
Beginning balance	10,418,218,184	4,572,699,896	4,326,747,719	2,585,513,962	21,903,179,761	
Depreciation for the year	2,263,523,126	855,367,361	676,482,970	270,626,490	4,065,999,947	
Adjustment	-	(9,262,500)	-	-	(9,262,500)	
Disposal	-	-	(400,343,556)	(726,557,949)	(1,126,901,505)	
Ending balance	12,681,741,310	5,418,804,757	4,602,887,133	2,129,582,503	24,833,015,703	
Net carrying amount:						
Beginning balance	46,338,733,774	1,188,807,371	3,053,480,323	495,151,884	51,076,173,352	
Ending balance	44,075,210,648	344,167,510	2,376,997,353	316,025,212	47,112,400,723	

(*) Included in Buildings and structures is land use right at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1 with carrying value of VND 26,471,477,820 which was pledged to obtain the short-term loan from Lien Viet Post Bank (Note 14).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

10. INTANGIBLE FIXED ASSET

	VND
	<i>Computer software</i>
Cost:	
Beginning and ending balances	<u>37,700,000</u>
Accumulated amortisation:	
Beginning balance	29,593,522
Amortization for the year	<u>8,106,478</u>
Ending balance	<u>37,700,000</u>
Net carrying amount:	
Beginning balance	<u>8,106,478</u>
Ending balance	<u>-</u>

11. INVESTMENT PROPERTIES

			VND
	<i>Buildings</i>	<i>Houses</i>	<i>Total</i>
Cost:			
Beginning and ending balances	<u>97,781,182,124</u>	<u>12,760,460,266</u>	<u>110,541,642,390</u>
Accumulated depreciation:			
Beginning balance	6,198,637,540	1,148,441,425	7,347,078,965
Depreciation for the year	<u>3,911,247,285</u>	<u>510,418,411</u>	<u>4,421,665,696</u>
Ending balance	<u>10,109,884,825</u>	<u>1,658,859,836</u>	<u>11,768,744,661</u>
Net carrying amount:			
Beginning balance	<u>91,582,544,584</u>	<u>11,612,018,841</u>	<u>103,194,563,425</u>
Ending balance	<u>87,671,297,299</u>	<u>11,101,600,430</u>	<u>98,772,897,729</u>

Included in Houses is the land use right at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1 which was pledged to obtain short-term loan from Vietnam Bank for Agriculture and Rural Development (Notes 14 and 19).

The fair value of the investment properties had not yet been formally assessed and determined as at 31 December 2012. However, given that these properties are currently rented out and income generating, it is management's assessment that these properties' market values are still higher than their carrying value as at balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

12. LONG-TERM INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investments in associates	267,751,216,739	267,647,506,302
Other long-term investments	51,901,500,000	102,046,200,000
<i>Long-term securities</i>	49,766,500,000	99,911,200,000
<i>Other long-term investments</i>	2,135,000,000	2,135,000,000
Provision for long-term investments	<u>(8,925,000,000)</u>	<u>(16,260,000,000)</u>
TOTAL	<u>310,727,716,739</u>	<u>353,433,706,302</u>

12.1 Investments in associates

	% of interest	
	<u>Ending balance</u>	<u>Beginning balance</u>
Pham Gia Construction Limited Company	46.19	46.19
Sai Gon Binh Duong Joint stock Company	26.83	26.83
Long Binh Construction – Trading – Producing Joint Stock Company	36.36	36.36
An Dong Liksin Investment Joint Stock Company	40	40
Hai Au Concrete Joint Stock Company	-	40.51

Pham Gia Construction Limited Company ("PG") is a limited liability company established in accordance with Business Registration Certificate No. 0302535114 issued by the Department of Planning and Investment of Ho Chi Minh City on 29 January 2002. PG's registered office is located at E7/189A High Way 50, Da Phuoc Commune, Binh Chanh District, Ho Chi Minh City, Vietnam. PG's principal activities are to construct civil and industrial projects, to manufacture construction materials; and trade housing and related services.

Saigon Binh Duong Joint Stock Company ("SGBD") is a shareholding company established in accordance with Business Registration Certificate No. 3701647922 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 November 2009. SGBD's registered office is located at 11 Ngo Van Tri Street, Ward 2, Thu Dau Mot Town, Binh Duong Province, Vietnam. SGBD's principal activities are to manufacture and sell construction materials; to trade real estate properties and related services.

Long Binh Construction – Trading – Producing Joint Stock Company ("LB") is a shareholding company established in accordance with Business Registration Certificate No. 4103001780 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 April 1999, as amended. LB's registered office is located at 918-920 Nguyen Trai Street, Ward 14, District 5, Ho Chi Minh City, Vietnam. LB's principal activities are to manufacture and sell construction materials; to trade real estate properties and related services; and to provide warehousing and forwarding services.

An Dong Liksin Investment Joint Stock Company ("AD") is a shareholding company established in accordance with Business Registration Certificate No. 4103007548 issued by the Department of Planning and Investment of Ho Chi Minh City on 11 August 2007. AD's registered office is located at 51A-53A An Duong Vuong Street, Ward 8, District 5, Ho Chi Minh City, Vietnam. AD's principal activities are to trade real estate properties; to invest in and construct the infrastructure of residential areas; and to manufacture and sell construction materials, interior decoration products and construction equipment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

12. LONG-TERM INVESTMENTS (continued)

12.1 Investments in associates (continued)

Details of these investments in associates as at 31 December 2012 are presented as follows:

	PG	SGBD	LB	AD	HA (*)	VND Total
Cost of investments:						
Beginning balance	150,968,925,000	80,480,013,645	21,000,000,000	16,000,000,000	8,800,000,000	277,248,938,645
Disposal	-	-	-	-	(8,800,000,000)	(8,800,000,000)
Ending balance	150,968,925,000	80,480,013,645	21,000,000,000	16,000,000,000	-	268,448,938,645
Accumulated share in post-acquisition profit (loss) of the associates:						
Beginning balance	-	(1,828,965,808)	(667,348,042)	1,694,881,507	(8,800,000,000)	(9,601,432,343)
Disposal	-	-	-	-	8,800,000,000	8,800,000,000
Share in post-acquisition profit (loss) of the associates for the year	-	(163,307,254)	(380,106,984)	887,124,675	-	343,710,437
Dividends for the year	-	-	(240,000,000)	-	-	(240,000,000)
Ending balance	-	(1,992,273,062)	(1,287,455,026)	2,582,006,182	-	(697,721,906)
Carrying amount:						
Beginning balance	150,968,925,000	78,651,047,837	20,332,651,958	17,694,881,507	-	267,647,506,302
Ending balance	150,968,925,000	78,487,740,583	19,712,544,974	18,582,006,182	-	267,751,216,739

(*) On 10 May 2012, the investment in Hai Au Concrete Joint Stock Company ("HA") was disposed generating proceeds amounting to VND 600,000,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

12. LONG-TERM INVESTMENTS (continued)

12.2 Other long-term investments

	Ending balance		Beginning balance	
	Number of shares	Amount (VND)	Number of shares	Amount (VND)
Gia Dinh Development Investment Corporation	2,125,000	34,000,000,000	2,125,000	34,000,000,000
Bac Trung Nam Housing Development Corporation	54,665	5,466,500,000	54,665	5,466,500,000
Saigon Electronic Investment – Construction Corporation	50,000	5,000,000,000	50,000	5,000,000,000
Saigon Mangden Joint Stock Company	310,000	3,100,000,000	310,000	3,100,000,000
Saigon Infrastructure Joint Stock Company	22,000	2,200,000,000	22,000	2,200,000,000
SSI Fund	-	-	3,000,000	30,000,000,000
Chanh Phu Hoa Investment – Construction Corporation	-	-	2,014,470	20,144,700,000
Others	-	2,135,000,000	-	2,135,000,000
TOTAL		51,901,500,000		102,046,200,000
Provision for diminution in value of investment		(8,925,000,000)		(16,260,000,000)
NET		42,976,500,000		85,786,200,000

13. BORROWING COSTS

	VND	
	Current year	Previous year
Interest expense (Note 23)	43,510,635,023	39,899,900,475
Capitalized as part of cost of real estate projects	28,656,397,752	32,351,289,365
TOTAL	72,167,032,775	72,251,189,840

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

14. SHORT-TERM LOANS

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>VND</i>	
Bank loans	80,067,301,943	125,870,172,880
Loans from other organizations	77,000,000,000	65,000,000,000
Loans from individuals	24,724,565,000	29,096,125,000
Current portion of long-term loan (Note 19)	11,579,000,000	11,579,000,000
TOTAL	<u>193,370,866,943</u>	<u>231,545,297,880</u>

Details of bank loans are as follows:

<i>Lenders</i>	<i>Ending balance</i>	<i>Principal repayment term</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>VND</i>			
Bank for Investment and Development of Vietnam				
Loan Contract No. 01/2011/HD/93512 dated 18 July 2011	21,567,301,943	12 months from the withdrawal date to 26 December 2013	13%p.a.	Land use right at No. 106 Ly Chinh Thang Street, District 3, Ho Chi Minh City (Note 8)
Vietnam Bank for Agriculture and Rural Development				
Loan Contract No. No 6220-LAV-201100116/HDTD dated 17 February 2011	46,000,000,000	12 months from the withdrawal to date 25 October 2013	15%p.a.	Land use rights at 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 11)
Lien Viet Post Bank				
Loan Contract No. 092-12/HDHMTD-LienvietPostBank-HCM dated 7 June 2012	12,500,000,000	9 months from the withdrawal date to 7 June 2013	15%p.a.	Land use right at 16 Nguyen Dinh Chieu Street, DaKao Ward, District 1, Ho Chi Minh City (Note 9)
TOTAL	<u>80,067,301,943</u>			

The Company obtained these loans to support its development of real estate project and working capital requirement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012**14. SHORT-TERM LOANS** (continued)

Details of loans from other organizations are as follows:

<i>Lenders</i>	<i>Ending balance</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i>	<i>Description of collateral</i>
VND					
Gia Dinh Development Investment Corporation (Note 26)					
Loan contract no 376/DTKDN/HDVV dated 20 June 2011	50,000,000,000	20 June 2013	To finance the land compensation for Long Thoi project	15%p.a.	Land use right at Long Thoi residential area, Nhon Duc Commune, Nha Be District, Ho Chi Minh City (Note 8)
An Dong Liksin Investment Joint Stock Company (Note 26)					
Loan contract No. 179/DTKDN/HDVV dated 15 March 2012	15,000,000,000	12 April 2013	To finance for Long Thoi project	14%p.a.	Unsecured
Saigon Trading Group (SATRA)					
Financial Investment Cooperation Contract No 33/2008 dated 4 April 2008 and appendix 179A/2012 dated 20 November 2012	12,000,000,000	15 January 2013	To finance working capital	17%p.a.	Right to buy An Khang apartments at the price of 80% market price
TOTAL	<u>77,000,000,000</u>				

Loans from individuals represent unsecured short-term loans amounting to VND 24,724,565,000 obtained from twenty two (22) individuals for the purpose of financing the land compensation of Long Thoi - Nha Be residential project for a period twelve (12) months at the interest rate ranging from 14% to 18% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012**15. ADVANCES FROM CUSTOMERS**

Advances from customers are mainly amounts received on the sale of apartment units and land lots of the following projects:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
6A Project	103,984,029,000	104,884,029,000
6B Project	94,309,481,128	134,102,301,657
Binh Trung Dong Project	11,126,908,000	11,126,908,000
Nhon Duc Commune, Nha Be District project	11,000,000,000	11,000,000,000
House of No. 26 Phung Khac Khoan Street	20,000,000,000	20,000,000,000
Others	38,228,285,587	42,367,884,544
TOTAL	<u>278,648,703,715</u>	<u>323,481,123,201</u>

16. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax (Note 25.1)	40,933,748,856	58,778,458,225
Value-added tax	24,432,925,544	30,001,719,555
Personal income tax	108,279,435	35,393,152
Other taxes	2,705,833,924	1,835,341,823
TOTAL	<u>68,180,787,759</u>	<u>90,650,912,755</u>

17. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Interest expense	11,200,778,777	7,705,195,947
Construction-related expenses	-	5,204,454,544
Others	300,000,000	525,750,000
TOTAL	<u>11,500,778,777</u>	<u>13,435,400,491</u>

18. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Apartment building maintenance	13,810,771,291	9,514,214,500
Land compensation for Long Thoi – Nha Be project payable to residents	6,054,539,298	39,827,195,091
Dividends payable	3,166,482,024	2,960,268,909
Deposits received	2,213,000,000	3,774,645,327
Additional land use fees of land lot No.7 – 6B project and 13E project	1,250,597,025	-
Others	9,895,682,582	6,656,852,454
TOTAL	<u>36,391,072,220</u>	<u>62,733,176,281</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

19. LONG-TERM LOANS

	VND	
	Ending balance	Beginning balance
Loans from bank	<u>264,115,708,492</u>	<u>185,263,000,000</u>
<i>In which:</i>		
Current portion of long-term loan (Note 14)	11,579,000,000	11,579,000,000
Non-current portion	252,536,708,492	173,684,000,000

Details of long-term bank loan are as follows:

Lender	Ending balance	Principal repayment term	Purpose	Interest rate	Description of collateral
	VND				
Saigon Commercial Joint Stock Bank, District 4 Branch					
Long-term loan agreement No LDC731600005	173,684,000,000	12 November 2027	To finance purchase of houses and land at No. 146 Nguyen Van Troi street and No. 223 Hoang Van Thu street, Ho Chi Minh City and development and construction of building	Interest deposit for period of 13 months plus 0.45%p.a.	Land use rights at No. 146 Nguyen Van Troi street and No. 223 Hoang Van Thu, Phú Nhuận District, Ho Chi Minh City (Note 8)
Bank for Investment and Development of Vietnam					
Loan Contract No. 01/2011/HD/935 12 dated 18 July 2011	80,431,708,492	18 months from the withdrawal date to 7 July 2014	To finance Long Thoi – Nha Be project and 146 Nguyen Van Troi street, Phu Nhuan District project	14%p.a.	Land use right at No. 106 Ly Chinh Thang street, District 3, Ho Chi Minh City (Note 8)
Vietnam Bank for Agriculture and Rural Development					
Loan Contract No. 6220-LAV-201100116/HDTD dated 17 February 2011	10,000,000,000	17 January 2014	To finance working capital	15%p.a.	Land use rights at 20 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City (Note 11)

264,115,708,492

Investment and Trading of Real Estate Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

20. OWNERS' EQUITY

20.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings	Total	VND
Previous year								
Beginning balance	690,866,880,000	974,114,436,600	-	30,640,486,547	16,417,006,154	242,682,681,193	1,954,721,490,494	
Repurchase ordinary shares	-	-	(9,825,117,611)	-	-	-	(9,825,117,611)	
Net loss for the year	-	-	-	-	-	(137,355,898,885)	(137,355,898,885)	
Profit appropriation	-	-	-	-	10,142,460,679	(20,284,921,358)	(10,142,460,679)	
Ending balance	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,559,466,833	85,041,860,950	1,797,398,013,319	
Current year								
Beginning balance	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,559,466,833	85,041,860,950	1,797,398,013,319	
Net profit for the year	-	-	-	-	-	6,961,010,135	6,961,010,135	
Dividend declared	-	-	-	-	-	(34,323,164,000)	(34,323,164,000)	
Ending balance	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,559,466,833	57,679,707,085	1,770,035,859,454	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners and distribution of dividends and profits

	VND	
	Current year	Previous year
Contributed share capital		
Beginning and ending balance	<u>690,866,880,000</u>	<u>690,866,880,000</u>
Dividends declared	34,323,164,000	-
Dividends paid	34,116,950,885	28,677,560

20.3 Shares - ordinary shares

	Ending balance	Beginning balance
	Shares	Shares
Shares authorised to be issued	69,086,688	69,086,688
Shares issued and fully paid	68,646,328	68,646,328
<i>Ordinary shares</i>	69,086,688	69,086,688
<i>Treasury shares</i>	(440,360)	(440,360)

20.4 Basic earnings (loss) per share

	Current year	Previous year
Net profit (loss) attributable to ordinary equity holders of the Company (VND)	6,961,010,135	(137,355,898,885)
Weighted average number of ordinary shares	<u>68,646,328</u>	<u>68,646,328</u>
Basic earnings (loss) per share <i>(par value: VND 10,000 per share)</i>	<u>101</u>	<u>(2,001)</u>

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

21. REVENUE

21.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	<u>139,916,172,568</u>	<u>167,115,550,588</u>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	40,310,335,980	45,174,058,326
<i>Revenue from construction contracts</i>	80,504,116,984	101,418,802,087
<i>Revenue from other services</i>	19,101,719,604	20,522,690,175

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

21. REVENUE (continued)

21.2 *Financial income*

	VND	
	<i>Current year</i>	<i>Previous year</i>
Proceeds from disposal of investments	21,249,270,000	7,136,095,000
Dividends received	1,275,000,000	9,561,340,000
Interest income	354,376,937	3,519,593,329
Others	397,117,843	69,970,693
TOTAL	<u>23,275,764,780</u>	<u>20,286,999,022</u>

22. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of real estate properties	8,788,144,235	148,080,708,423
Cost of construction	77,370,616,699	95,908,812,661
Cost of services rendered	11,563,197,435	11,670,308,122
TOTAL	<u>97,721,958,369</u>	<u>255,659,829,206</u>

23. FINANCIAL EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expense	43,510,635,023	39,899,900,475
Provision for diminution in value of investments	1,029,705,882	18,326,183,000
Others	33,444,289	20,128
TOTAL	<u>44,573,785,194</u>	<u>58,226,103,603</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

24. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
Other income	25,270,558,479	11,094,691,927
Gain on the settlement of advances made to employees related to discontinued Tang Nhon Phu project	22,003,960,130	-
Reversal of provision for warranty	2,356,038,972	6,649,617,079
Penalty for late payment and cancellation of apartment sale contracts	300,758,000	1,352,586,314
Proceeds from disposal of fixed assets	216,222,273	173,636,364
Others	393,579,104	2,918,852,170
Other expenses	(5,655,179,731)	(4,364,418,874)
Cancellation of compensation contracts	(3,531,015,000)	-
Additional land use fees of land lot No.7 – 6B project and 13E project	(1,250,597,025)	-
Net book value of disposed fixed assets	-	(6,790,000)
Others	(873,567,706)	(4,357,628,874)
NET	<u>19,615,378,748</u>	<u>6,730,273,053</u>

25. CORPORATE INCOME TAX

The Company and its subsidiary have the obligation to pay corporate income tax ("CIT") at the rate of 25% of taxable profits.

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

25.1 Current CIT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

25. CORPORATE INCOME TAX (continued)

25.1 Current CIT (continued)

A reconciliation between the accounting profit (loss) before tax and estimated current taxable profit (tax loss) is presented below:

	VND	
	Current year	Previous year
Profit (loss) before tax	14,518,052,974	(158,709,729,721)
Adjustments to increase (decrease) accounting profit (loss):		
Non-deductible expenses	25,593,245,360	21,988,995,382
Accrual for severance allowance unused as at 31 December 2011 after actual payment made in 2012	3,310,771,600	-
Share of (profit) loss from associates	(343,710,437)	5,906,923,953
Provision for obsolete inventory	(28,689,672,380)	97,928,196,869
Dividend received	(1,275,000,000)	(9,561,340,000)
Internal unrealized profit	(901,668,930)	5,604,012,480
Loss of parent company	-	42,298,623,050
Income from revaluation of contributed fixed assets	-	2,551,974,292
Warranty provision	-	1,510,078,555
Adjusted net profit before tax loss carry forward	12,212,018,187	9,517,734,860
Tax loss carried forward	(9,363,011,821)	-
Estimated current taxable profit	2,849,006,366	9,517,734,860
Estimated current CIT	712,251,592	2,379,433,715
Adjustment for under accrual of tax from prior year	-	1,659,350,169
Total current CIT	712,251,592	4,038,783,884
CIT payable at beginning of year	58,778,458,225	67,502,103,053
CIT paid during the year	(18,562,820,961)	(13,769,699,571)
Provisional CIT made (1% over invoiced revenue)	5,860,000	1,007,270,859
CIT payable at end of year	40,933,748,856	58,778,458,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

25. CORPORATE INCOME TAX (continued)

25.2 *Deferred CIT*

The following are the deferred tax assets recognized by the Group, and the movements thereon, during the current and previous year:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
	VND			
Provision for obsolete inventory	17,309,631,122	24,482,049,217	(7,172,418,095)	24,482,049,217
Internal unrealised profit	3,382,124,813	3,561,677,649	(179,552,836)	1,401,003,120
Accrual for severance pay	827,692,900	-	827,692,900	-
<i>Deferred income tax assets</i>	<u>21,519,448,835</u>	<u>28,043,726,866</u>		
<i>Net deferred income tax (expense) benefit</i>			<u>(6,524,278,031)</u>	<u>25,883,052,337</u>

26. TRANSACTIONS WITH RELATED PARTY

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	VND
			<i>Amount</i>
Gia Dinh Development Investment Corporation	Related party	Dividends received	1,275,000,000
		Loan drawdown	50,000,000,000
An Dong Liksin Investment Joint Stock Company	Associate	Loan drawdown	15,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

26. TRANSACTIONS WITH RELATED PARTY (continued)

Amount due to and due from related parties at the balance sheet date was as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>
			<i>Receivable (Payable)</i>
<i>Other receivable</i>			
Saigon Binh Duong Joint stock Company	Associate	Interest income	<u>1,592,901,607</u>
<i>Loans</i>			
Gia Dinh Development Investment Corporation	Associate	Loan	(50,000,000,000)
An Dong Liksin Investment Joint Stock Company	Associate	Loan	(15,000,000,000)
			<u>(65,000,000,000)</u>

Transactions with other related parties

Remuneration to members of the Board of Directors and Management:

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries and bonuses	1,576,324,000	2,929,611,000
Allowance for the Board of Directors	329,033,000	198,248,000
TOTAL	<u>1,905,357,000</u>	<u>3,127,859,000</u>

27. CAPITAL COMMITMENTS

At 31 December 2012, the Group has outstanding commitments of VND 93,133,378,578 (31 December 2011: VND 115,176,430,393) principally relating to the outstanding construction contracts of apartments building and development of infrastructure of the ongoing residential projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities are loans and borrowings. The main purpose of these financial liabilities is to finance the acquisition and development of the Group's properties' portfolio. The Group has trade and other receivables, trade and other payable and cash that arise directly from its operations. The Group does not hold or issue any derivative financial instruments.

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

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 December 2012 and 31 December 2011 and have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

Interest rate risk

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

The Group manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favorable for its purposes within its risk management limits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings.

With all other variables held constant, the Group's profit before tax and balance sheet are affected through the impact on floating rate borrowings as follows:

			VND
	<i>Increase/decrease in basis points</i>	<i>Effect on profit before tax</i>	<i>Effect on balance sheet items</i>
For the year ended 31 December 2012			
VND	+200	(4,716,736,458)	4,084,471,509
VND	-200	4,716,736,458	(4,084,471,509)
For the year ended 31 December 2011			
VND	+200	(4,966,276,200)	2,979,325,958
VND	-200	4,966,276,200	(2,979,325,958)

Real estate risk

The Group has identified the following risks associated with the real estate portfolio: (i) the cost of the development schemes may increase if there are delays in the planning process. The Group uses advisers who are experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process; (ii) the exposure of the fair values of the portfolio to market and occupier fundamentals.

Credit risk

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

Credit risks related to receivables resulting from the sale of inventory properties

Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Group's credit risk in this respect.

Bank deposits

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed in accordance with the Group's policy. The Group's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Group evaluates the concentration of credit risk in respect to bank deposit as low.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

The Group monitors its liquidity risk by maintain a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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

	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>VND Total</i>
31 December 2012			
Loans and borrowings	193,370,866,943	252,536,708,492	445,907,575,435
Trade payables	21,903,063,000	-	21,903,063,000
Other payables and accrued expenses	51,071,766,870	-	51,071,766,870
	<u>266,345,696,813</u>	<u>252,536,708,492</u>	<u>518,882,405,305</u>
31 December 2011			
Loans and borrowings	231,545,297,880	173,684,000,000	405,229,297,880
Trade payables	41,518,635,051	-	41,518,635,051
Other payables and accrued expenses	78,123,892,363	-	78,123,892,363
	<u>351,187,825,294</u>	<u>173,684,000,000</u>	<u>524,871,825,294</u>

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Collateral

The Group has pledged its land use right of projects in order to fulfil the collateral requirements for the short term loan obtained from Lien Viet Joint Stock Company, Bank of Investment and Development of Vietnam, Vietnam Bank Agriculture and Rural Development and Gia Dinh Development Investment Corporation (*Note 14*), and long term loan obtained from Saigon Commercial Joint Stock Bank, District 4 Branch (*Note 19*). The banks and the organisation have obligations to return the land use right to the Company. There are no other significant terms and conditions associated with the use of collateral.

The Group did not hold collateral at 31 December 2012 and 31 December 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Carrying amount			Fair value		VND
	Ending balance	Cost	Provision	Ending balance	Beginning balance	
Financial assets						
Trade receivables	118,333,536,901	(10,250,525,211)		108,083,011,690	201,833,154,116	
Receivable from a related party	1,592,901,607	-		1,592,901,607	12,634,710,314	
Other receivables	70,769,894,675	-		70,769,894,675	62,342,996,976	
Other non-current financial assets	51,901,500,000	(8,925,000,000)		42,976,500,000	85,786,200,000	
Cash and cash equivalents	12,021,714,472	-		12,021,714,472	16,525,188,339	
TOTAL	254,619,547,655	(19,175,525,211)		235,444,022,444	379,122,249,745	
Financial liabilities						
Loans and borrowings	445,907,575,435	405,229,297,880		445,907,575,435	405,229,297,880	
Trade payables	21,903,063,000	41,518,635,051		21,903,063,000	41,518,635,051	
Other current liabilities	51,071,766,870	78,123,892,363		51,071,766,870	78,123,892,363	
TOTAL	518,882,405,305	524,871,825,294		518,882,405,305	524,871,825,294	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

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

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of loans from banks as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. As at 31 December 2012, the carrying amounts of such loans and borrowings are not material different from their calculated value.

30. OTHER MATTER

In 2004 and 2005, the Company compensated and developed certain residential real estate projects under the approval of the Board Management of the Saigon South and the People's Committee of Ho Chi Minh City. Land lots were sold to its customers and the related land use fees of these projects were paid to the relevant authorities based on the tax notices from the Department of Tax of Binh Chanh District, Ho Chi Minh City ("DoT") and in accordance with applicable land regulations in the years 2004 and 2005. The land use fees of these projects were calculated based on the land use fee frame applicable to the projects' location at that time.

However, the Company received an additional tax notice from DoT, requesting the Company to pay additional land use fee of VND 244,550,400,000 arising primarily from the different land use fee frame applied by DoT in assessing the projects' current locations.

In June 2011, the Government Inspectors performed an inspection on the compliance with applicable regulations on land use and construction planning and land management of Ho Chi Minh City for the period from 2001 to 2010, including land lot No.7 – 6B project and 13E project ("these projects") of the Company in accordance with the Decision No. 404/QD-TTCP dated 8 March 2011 of the Government Inspectorate of Vietnam.

Under the Minutes dated 30 June 2011 between the Government Inspectors and the Company, the Government Inspectors commented the land use and management of these projects of the Company as follows:

- Land compensation: up to 31 December 2005, the Company has completed its land compensation process. In accordance with Decree No. 120/2010/ND-CP dated 30 December 2010 of the Government, Official Letter No. 7694/UB-DT dated 14 December 2004 of the People's Committee of Ho Chi Minh City and Official Letter No. 678/PC-BQL dated 27 December 2004 of the Management Board of Saigon South, the Company is entitled to the land use fee frame for the compensated land areas in the years 2004 and 2005 based on areas actually handed-over.
- Project locations: the projects' locations applied for land use fee computation by the DoT were not in conformity with the inter-departmental official letter No. 41/HD-LS dated 21 January 1995 and No. 734/HD-LS dated 31 January 2005, and also did not apply Decision No. 21/2002/QD-UB dated 11 March 2002 of People's Committee of Ho Chi Minh City in the determination of the location of these projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

30. OTHER MATTERS (continued)

In Official Letter No. 1812/UBND-DTMT dated 23 April 2012, the People's Committee of Ho Chi Minh City required the Finance Service of Ho Chi Minh City to cooperate with Inspectors of Ho Chi Minh City and Department of Natural Resources and Environment of Ho Chi Minh City, Ho Chi Minh Department of Transportation, the Management Board of Saigon South, Department Tax of Ho Chi Minh City, the People's Committee of Binh Chanh District and Office of the People's Committee of Ho Chi Minh City to inspect and reassess the correct land use fees payable of these above projects.

In the Official Letter No. 5005/CT-QLD dated 29 June 2012 sent to Finance Service of Ho Chi Minh City, the Department Tax of Ho Chi Minh City confirmed that the land use fee of these projects was computed by DoT based on the land use fee frame in 2004 and 2005 in conformity with the applicable land price list in the Decision No.2123/QD-UB dated 17 May 2004 and Official Letter No. 4001/UB-QLDT dated 24 September 1999 issued by the People's Committee of Ho Chi Minh City.

In its Official Letter No.4787/UBND-DTMT dated 17 September 2012, the People's Committee of Ho Chi Minh City opined that (a) the Company was temporarily transferred land from years 2002 to 2004, (b) the Company completed the compensation stage for the whole project before year 2006, (c) DoT determined that the project's land use fees were appropriate and complied with applicable regulations and official letters of People's Committee of Ho Chi Minh City at that time and (d) an additional land use fees amounting to VND 1,250,597,025 was required to be paid. And the People's Committee of Ho Chi Minh City recommended the Ministry of Finance, Government Inspectorate of Vietnam and Auditors General of State of Audit Office of Vietnam to finalise this matter based on suggested solution of the People's Committee of Ho Chi Minh City. Accordingly, the above land use fees has been reflected in the Company's consolidated financial statements as at and for the year ended 31 December 2012.

In Official Letter No. 3306/TTCP-V.I dated 12 December 2012 sent to the Prime Minister and Official Letter No. 57/KTNN-TH dated 15 January 2013 sent to the People's Committee of Ho Chi Minh City, the Government Inspectorate of Vietnam and the Auditors General of State of Audit Office of Vietnam concurred with the above opinion of the People's Committee of Ho Chi Minh City.

As at the date of this consolidated financial statements, the Company is waiting for the final comments from the Minister of Finance.

31. RECLASSIFICATION OF CORRESPONDING FIGURES

As at 31 December 2011, the accrual for severance pay following Article 42 of the Labour code amounting to VND 3,010,242,346 was presented under the same caption in the balance sheet with provision for retrenchment allowance. Starting from 2012, the balance of provision for retrenchment allowance at year end should be nil following the guidance in Circular 180. Accordingly, the accrual for severance pay has been reclassified to Other Long-term Liabilities to conform with the current year presentation.

	31 December 2011 (previously presented)	Reclassification	VND 31 December 2011 (reclassified)
BALANCE SHEET			
Other long-term liabilities	1,955,315,591	3,010,242,346	4,965,557,937
Provision for severance allowance	3,010,242,346	(3,010,242,346)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

32. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

26 March 2013

