

Tan Tao Investment and Industry Corporation

Consolidated financial statements

31 December 2012

Tan Tao Investment and Industry Corporation

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Tan Tao Investment and Industry Corporation

GENERAL INFORMATION

COMPANY

Tan Tao Investment and Industry Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103001108 issued by the Ho Chi Minh City Department of Planning and Investment on 15 July 2002 and the amended Business Registration Certificates.

The Company is listed on the Ho Chi Minh City Stock Exchange in accordance with License No. 68/UBCK-GPNY issued by the State Securities Commission on 15 November 2006.

The principal activities of the Company are developing industrial park and infrastructure; constructing and trading industrial parks and urban residential areas; leasing out completed infrastructure land lots; leasing out or selling the plants constructed by the Company in industrial parks; providing logistical services in industrial parks, investment consulting, and science and technology transfer consulting; constructing, civil and transportation projects; providing forwarding and warehousing services; constructing electricity works up to 35 KV; trading residential houses (constructing or repairing houses for lease or sales); providing data and electronic file transfer services, remote access and other internet access services (ISP), providing internet contents (operating only when receiving a license in accordance with governmental regulations); providing information storage and services; organizing fairs, exhibitions, conferences and seminars.

The Company’s head office is located at Lot 16, Road 2, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, 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:

Mrs Dang Thi Hoang Yen	Chairwoman	
Mr Nguyen Thanh Phong	Member	
Mr Nguyen Tuan Minh	Member	
Mr Nguyen Van Tau	Member	
Mr Tran Dinh Hung	Member	appointed on 27 April 2012

MANAGEMENT

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

Mr Thai Van Men	General Director	
Mr Nguyen Tuan Minh	Deputy General Director	
Mr Tran Dinh Hung	Deputy General Director	appointed on 25 December 2012

BOARD OF SUPERVISION

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

Mr Do Tuan Cuong	Head	appointed on 27 April 2012
Mr Nguyen Trong Dung	Head	resigned on 27 April 2012
Mrs Le Thi Phuong Chi	Member	
Mr Nguyen Trong Dung	Member	appointed on 27 April 2012
Mr Dinh Van Tam	Member	resigned on 27 April 2012

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Thai Van Men.

AUDITORS

The auditors of the Company are Ernst & Young Vietnam Limited.

Tan Tao Investment and Industry Corporation

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Tan Tao Investment and Industry Corporation (“the Company”) is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2012.

THE 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 Group’s 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 applied 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 confirms that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements which 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 the consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.

In addition, we draw attention to note of long-term investments which presented the amount the Group has invested in the these entities in which it has strong expertise or the type of business or services serving its principal activities; and the trade payables and other payables including an amount of VND 1,156,780,320,000 which were converted to shares in accordance with the Decision No. 85/2013/QD-SGDHCM on 22 March 2013.

For and on behalf of the Board of Directors:

Dang Thi Hoang Yen
Chairwoman

30 March 2013

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Tan Tao Investment and Industry Corporation

We have audited the consolidated financial statements of Tan Tao Investment and Industry Corporation ("the Company") and its subsidiaries ("the Group") as set out on pages 4 to 53 which comprise the consolidated balance sheet as at 31 December 2012, 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 Group'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 Group'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 of 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

Nguyen Xuan Dai
Deputy General Director
Certificate No.0452/KTV

Le Quang Minh
Auditor
Certificate No.0426/KTV

Ho Chi Minh City, Vietnam

30 March 2013

CONSOLIDATED BALANCE SHEET
as at 31 December 2012

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		5,252,263,680,051	4,031,096,338,283
110	I. Cash and cash equivalents	4	30,386,613,638	60,140,399,463
111	1. Cash		23,386,613,638	59,140,399,463
112	2. Cash equivalents		7,000,000,000	1,000,000,000
130	II. Current accounts receivable		2,266,176,049,335	1,519,706,960,972
131	1. Trade receivables	5	677,670,551,094	500,097,483,094
132	2. Advances to suppliers	6	1,029,736,732,702	698,324,751,521
135	3. Other receivables	7	561,264,885,803	321,284,726,357
139	4. Provision for doubtful debts		(2,496,120,264)	-
140	III. Inventories	8	2,880,774,115,762	2,411,216,837,321
141	1. Inventories		2,880,774,115,762	2,411,216,837,321
150	IV. Other current assets		74,926,901,316	40,032,140,527
151	1. Short-term prepaid expenses	9	58,552,362,897	33,076,511,378
152	2. Value-added tax deductible		76,331,935	704,891,141
158	3. Other current assets	10	16,298,206,484	6,250,738,008
200	B. NON-CURRENT ASSETS		4,754,209,129,004	5,033,315,950,943
210	I. Long-term receivables		1,613,095,640,185	1,935,576,398,084
211	1. Long-term trade receivables	5	1,613,095,640,185	1,935,576,398,084
220	II. Fixed assets		259,717,779,181	266,701,358,877
221	1. Tangible fixed assets	11	50,457,255,408	60,167,942,776
222	Cost		108,129,050,527	106,512,095,982
223	Accumulated depreciation		(57,671,795,119)	(46,344,153,206)
227	2. Intangible fixed assets	12	16,612,319,255	17,658,333,683
228	Cost		20,992,324,940	20,992,324,940
229	Accumulated amortisation		(4,380,005,685)	(3,333,991,257)
230	3. Construction in progress	13	192,648,204,518	188,875,082,418
240	III. Investment properties	14	159,555,338,962	132,923,870,657
241	1. Cost		187,312,745,373	148,096,147,308
242	2. Accumulated depreciation		(27,757,406,411)	(15,172,276,651)
250	IV. Long-term investments	15	2,710,957,462,952	2,679,278,063,665
252	1. Investments in associates		145,392,053,989	894,023,899,265
258	2. Other long-term investments		2,592,287,616,075	1,787,913,138,400
259	3. Provision for long-term investments		(26,722,207,112)	(2,658,974,000)
260	V. Other long-term assets		10,882,907,724	18,836,259,660
261	1. Long-term prepaid expenses	16	10,882,907,724	16,413,557,880
268	2. Other long-term assets		-	2,422,701,780
270	TOTAL ASSETS		10,006,472,809,055	9,064,412,289,226

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2012

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		4,103,514,612,778	3,194,714,034,924
310	I. Current liabilities		2,003,427,209,154	1,978,980,432,017
311	1. Short-term loans	18	491,633,831,645	874,654,147,570
312	2. Trade payables	19	327,375,635,972	334,326,528,744
313	3. Advances from customers	20	30,358,610,992	26,071,741,516
314	4. Statutory obligations	21	86,946,652,792	69,674,319,274
315	5. Payable to employees		1,807,704,550	513,064,430
316	6. Accrued expenses	22	206,377,339,102	89,796,195,136
319	7. Other payables	23	858,850,364,101	583,866,265,347
323	8. Bonus and welfare fund		77,070,000	78,170,000
330	II. Non-current liabilities		2,100,087,403,624	1,215,733,602,907
333	1. Other long-term liabilities	24	30,334,369,572	28,314,398,769
334	2. Long-term loans and debts	25	1,927,737,373,112	1,019,834,991,396
335	3. Deferred tax liabilities	31.3	142,015,660,940	167,584,212,742
400	B. OWNERS' EQUITY	26	5,891,302,111,088	5,858,360,182,223
410	I. Capital		5,891,302,111,088	5,858,360,182,223
411	1. Share capital		4,451,518,800,000	3,425,625,650,000
412	2. Share premium		937,452,057,511	1,621,392,607,511
414	3. Treasury shares		(8,053,570,000)	(8,020,280,000)
418	4. Financial reserve fund		9,154,986,000	9,154,986,000
420	5. Undistributed earnings		501,229,837,577	810,207,218,712
439	C. MINORITY INTERESTS	27	11,656,085,189	11,338,072,079
440	TOTAL LIABILITIES AND OWNERS' EQUITY		10,006,472,809,055	9,064,412,289,226

Nguyen Viet Doan
Preparer

Pham Thanh Them
Chief Accountant

Thai Van Men
General Director

30 March 2013

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2012

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	28.1	568,477,090,042	438,231,252,845
02	2. Deductions	28.1	(532,216,834,164)	(66,534,812,011)
10	3. Net revenues from sale of goods and rendering of services	28.1	36,260,255,878	371,696,440,834
11	4. Costs of goods sold and services rendered	29	109,987,571,374	(184,436,758,338)
20	5. Gross profit from sale of goods and rendering of services		146,247,827,252	187,259,682,496
21	6. Finance income	28.2	35,902,967,643	116,076,391,235
22	7. Finance expenses	30	(154,778,229,988)	(154,900,265,949)
23	In which: Interest expense		(123,304,101,527)	(115,552,913,482)
24	8. Selling expenses		(4,851,344,070)	(1,732,257,998)
25	9. General and administrative expense		(58,077,530,964)	(76,405,930,975)
30	10. Operating (loss) profit		(35,556,310,127)	70,297,618,809
31	11. Other income		4,764,086,757	20,893,112,351
32	12. Other expenses		(1,273,428,457)	(1,251,191,069)
40	13. Other profit		3,490,658,300	19,641,921,282
45	14. Share of profit (losses) in associates	15.1	51,551,246,415	(135,868,278)
50	15. Profit before tax		19,485,594,588	89,803,671,813
51	16. Current corporate income tax expense	31.2	(11,760,914,415)	(33,643,766,169)
52	17. Deferred income tax benefit	31.3	25,568,551,802	18,546,086,769
60	18. Net profit after tax		33,293,231,975	74,705,992,413
	Attributable to:			
61	18.1 Equity holders of the Company		32,975,218,865	73,449,762,458
62	18.2 Minority interests		318,013,110	1,256,229,955
70	19. Basic earnings and diluted per share	26.4	74	165

Nguyen Viet Doan
Preparer

Pham Thanh Them
Chief Accountant

Thai Van Men
General Director

30 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 before tax		19,485,594,588	89,803,671,813
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	11,12,14	24,958,786,101	21,630,610,999
03	Provisions (reversal of provisions)		26,559,353,376	(941,026,000)
04	Unrealised foreign exchange losses (gains)	28.2,30	479,876,895	(18,437,764,164)
05	Profit from investing activities		(52,254,003,865)	(86,794,452,204)
06	Interest expense	30	123,304,101,527	115,552,913,482
08	Operating profit before changes in working capital		142,533,708,622	120,813,953,926
09	(Increase) decrease in receivables		(62,910,509,047)	371,906,216,189
10	Increase in inventories		(196,522,206,275)	(294,558,006,833)
11	Increase in payables		227,849,169,605	599,064,111,569
12	Increase in prepaid expenses		(19,945,201,363)	(13,049,530,091)
13	Interest paid		(303,382,610,338)	(383,054,832,273)
14	Corporate income tax paid	31.2	(889,716,074)	(22,909,200,072)
15	Other cash inflows from operating activities		-	22,821,804,207
16	Other cash outflows from operating activities		-	(6,948,342,014)
20	Net cash flows (used in) from operating activities		(213,267,364,870)	394,086,174,608
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(4,155,861,680)	(7,081,630,517)
25	Payments for investments in other entities		(18,445,151,047)	(35,334,489,361)
26	Proceeds from sale of investments in other entities		-	6,163,000,000
27	Dividends and interest received		702,757,450	32,811,460,751
30	Net cash flows used in investing activities		(21,898,255,277)	(3,441,659,127)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Capital redemption	26.1	(33,290,000)	(5,000,000)
33	Drawdown of borrowings		508,558,313,045	661,949,001,955
34	Repayment of borrowings		(303,113,188,723)	(1,052,404,633,567)
40	Net cash flows from (used in) financing activities		205,411,834,322	(390,460,631,612)

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

VND

<i>Code</i>	<i>ITEMS</i>	<i>Notes</i>	<i>Current year</i>	<i>Previous year</i>
50	Net (decrease) increase in cash and cash equivalents		(29,753,785,825)	183,883,869
60	Cash and cash equivalents at beginning of year	4	60,140,399,463	59,956,515,594
70	Cash and cash equivalents at end of year	4	30,386,613,638	60,140,399,463

Nguyen Viet Doan
Preparer

Pham Thanh Them
Chief Accountant

Thai Van Men
General Director

30 March 2013

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

1. CORPORATE INFORMATION

Tan Tao Investment and Industry Corporation (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate (“BRC”) No. 4103001108 issued by the Ho Chi Minh City Department of Planning and Investment (“DPI”) on 15 July 2002, and the amended Business Registration Certificate.

The Company is listed on the Ho Chi Minh City Stock Exchange in accordance with License No. 68/UBCK-GPNY issued by the State Securities Commission on 15 November 2006.

The principal activities of the Company and its subsidiaries (collectively referred to as “the Group”) are developing industrial park and infrastructure; constructing and trading industrial parks and urban residential areas; leasing out completed infrastructure land lots; leasing out or selling the plants constructed by the Company in industrial parks; providing logistical services in industrial parks, investment consulting, and science and technology transfer consulting; constructing, civil and transportation projects; providing forwarding and warehousing services; constructing electricity works up to 35 KV; trading residential houses (constructing or repairing houses for lease or sales); providing data and electronic file transfer services, remote access and other internet access services (ISP), providing internet contents (operating only when receiving a license in accordance with governmental regulations); providing information storage and services; organizing fairs, exhibitions, conferences and seminars.

The Company’s head office is located at Lot 16, Road 2, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

The number of the Group’s employees as at 31 December 2012 was 660 (31 December 2011: 584).

Corporate structure

The Company’s corporate structure includes 8 subsidiaries which are consolidated into the Group’s consolidated financial statements:

► *Tan Tao Services Utilization – Office and Warehousing Trade Co., Ltd.*

This is a one-member limited liability company established in accordance with BRC No. 4104000027 issued by the DPI of Ho Chi Minh City on 12 September 2001 as amended. Its principal activities are buying, selling and leasing out residential houses, workshops, offices, warehouses; and providing repair services.

► *Tan Duc Investment Corporation*

This is a shareholding company established in accordance with BRC No. 5003000109 issued by the DPI of Long An province on 27 June 2005 as amended. Its principal activities are investing in construction and developing industrial parks, city and port and supporting services; space, workshop, office, hotel, restaurant and commercial center leasing. As at 31 December 2012, the Company owns 94% interest in this subsidiary.

► *Tan Tao Forwarding and Warehousing Corporation*

This is a shareholding company established in accordance with BRC No. 4103000408 issued by the DPI of Ho Chi Minh City on 8 May 2001 as amended. Its principal activities are forwarding goods overseas and domestically by sea, air, rail and land; providing agency services for delivery and transfer of import- export goods by air, sea, rail and land; warehouse leasing, loading and unloading, storing, packing good services and customs declaration services. As at 31 December 2012, the Company owns 90% interest in this subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 20121. **CORPORATE INFORMATION** (continued)**Corporate structure** (continued)▶ *Tan Tao 276 Investment Corporation*

This is a shareholding company established in accordance with BRC No. 4103008558 issued by the DPI of Ho Chi Minh City on 27 November 2007 as amended. Its principal activities are developing and managing office complexes, high-rise apartments and shopping centres, and provision of ancillary services such as waste disposal. As at 31 December 2012, the Company owns 51% interest in this subsidiary. As at the date of the reports, this company is still on pre-operation.

▶ *Tan Tao Mekong Sky Corporation*

This is a shareholding company established in accordance with BRC No. 4103010071 issued by the DPI of Ho Chi Minh City on 21 April 2008 as amended. Its principal activities are construction and services. As at 31 December 2012, the Company owns 51% interest in this subsidiary. As at the date of the reports, this company is still on pre-operation.

▶ *Tan Tao Mekong City Investment and Trading Corporation*

This is a shareholding company established in accordance with BRC No. 4103010034 issued by the DPI of Ho Chi Minh City on 17 April 2008 as amended. Its principal activities are constructing of civil, industrial projects and providing services. As at 31 December 2012, the Company owns 51% interest in this subsidiary. As at the date of the reports, this company is still on pre-operation.

▶ *Tan Tao Joint Stock Hospital*

This is a shareholding company established in accordance with BRC No. 1101381089 issued by the People Committee of Long An Province on 6 June 2011. Its principal activities are the construction of the hospital, import and export of medical equipment, medicines, and medical staff training. As at 31 December 2012, the Company owns 80% interest in this subsidiary. As at the date of the reports, this company is still on pre-operation.

▶ *Tan Tao Long Beach Joint Stock Company*

This is a shareholding company established in accordance with BRC No. 1701391473 issued by the People Committee of Kien Giang Province on 17 June 2010. Its principal activities are providing the hotel and restaurant services. As at 31 December 2012, the Company owns 60% interest in this subsidiary. As at the date of the reports, this company is still on pre-operation.

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

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 Standard ("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 Accounting Standards (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.

2.2 *Applied accounting documentation system*

The applied accounting documentation system is the General Journal system.

2.3 *Fiscal year*

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

2.4 *Accounting currency*

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

2.5 *Basis of consolidation*

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

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

The financial statements of subsidiaries are prepared for the same reporting year as the parent 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies*

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 the 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 VAS 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. Impacts of the change from using interbank exchange rate to buying exchange rate announced by the commercial bank for the year end translations to the financial statements as at and for the year ended 31 December 2012 was not material as a whole.

3.2 *Cash and cash equivalents*

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

3.3 *Inventories*

Inventory properties, comprising mainly land, factories, properties in industrial parks, apartments in residential areas, completed 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:

- Planning and design costs, costs of land compensation, land lease fee, professional fees for legal services, property transfer taxes and other related costs
- Construction and development cost; and
- Qualified borrowing costs

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 on disposal is determined with reference to the specific costs incurred on the inventory sold and an allocation of any non-specific costs based on the relative size of the inventory sold, on a weighted average cost formula.

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 arising on 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Business combinations and goodwill*

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

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortized over a two (2) year period on a straight-line basis.

3.6 *Investments in associates*

The Group's investments 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 subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill (if any) arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over a two (2) year period.

The share of post-acquisition profit (loss) of the associates is presented on the face of the 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.

3.7 *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.

3.8 *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 and amortisation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included 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)

3.8 Fixed assets (continued)

Land use rights

Land use rights are recorded as intangible assets representing the value of the right to use the lands acquired by the Company. The useful lives of land use rights are assessed as either definite or indefinite. Accordingly, the land use right with definite useful lives representing the land lease are amortised over the lease term while the land use right with indefinite useful lives is not amortised.

3.9 Depreciation and amortisation

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

Buildings and structures	10 years
Machinery and equipment	5 - 10 years
Motor vehicles	6 - 10 years
Office equipment	3 - 5 years
Land use rights	20 - 47 years
Goodwill	2 years

3.10 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	50 years
Buildings and structures	15-20 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 in the year of retirement or disposal.

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

3.11 Borrowing costs

Borrowing costs are recognised as an expense when incurred, except when they qualify for capitalization. Capitalization of borrowing costs are applied for those that are directly attributable to the acquisition, construction or production of a qualifying asset.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 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.

3.13 Operating lease

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

3.14 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.

3.15 Provision for severance allowance

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.

3.16 Foreign currency transactions

The Group follows the guidance under VAS 10 in relation to foreign currency transactions as applied consistently in prior years. In addition to VAS 10, starting from 2012, the Group adopts Circular 179 in relation to foreign currency transaction which impacts are presented in Note 3.1.

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 buying exchange rate announced by the commercial bank where the Group maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the consolidated income statement.

3.17 Treasury shares

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

3.18 Earnings per share

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary shareholders, before appropriation for bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the year, where applicable.

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 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval at the shareholders' meeting, and after making appropriations to reserve funds in accordance with the Company's Charter and Vietnamese 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.

Bonus and welfare fund

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

3.20 Revenue recognition

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

Sale of industrial plots and related infrastructures

Revenue from the sale of industrial plots and related infrastructures are recorded at the total consideration received and to be received when industrial plots and related infrastructure are transferred to the customers.

Revenue from lease of factories, warehouses and offices

Revenue from lease is recognised at the present value of minimum lease payments when the leased property has been transferred to the lessee.

Rendering of services

Revenue from rendering of services is recognised as and when the services are rendered to the customers and are stated net of discounts, value-added tax and allowances.

Rental income

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

Interest income

Revenue is recognised as 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 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 by 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 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.

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.

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 income 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.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 *Financial instruments*

Initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by Ministry of Finance on 6 November 2009 - 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 and short-term deposits, trade and other receivables, loan receivables, quoted and unquoted financial instruments.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the 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.

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.

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

4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	522,188,921	548,426,726
Cash in banks	22,864,424,717	58,591,972,737
Cash equivalents	7,000,000,000	1,000,000,000
TOTAL	30,386,613,638	60,140,399,463

The Group has pledged its cash in banks and cash equivalents to secure for its long-term bank loans from bank (Note 25).

5. TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Related parties (Note 32)	1,335,565,645,668	975,530,902,571
Third parties	955,200,545,611	1,460,142,978,607
TOTAL	2,290,766,191,279	2,435,673,881,178
<i>Of which:</i>		
Current portion		
- <i>Related parties</i>	254,913,236,535	35,210,440,453
- <i>Third parties</i>	422,757,314,559	464,887,042,641
	<u>677,670,551,094</u>	<u>500,097,483,094</u>
Non-current portion		
- <i>Related parties</i>	1,080,652,409,133	940,320,462,118
- <i>Third parties</i>	532,443,231,052	995,255,935,966
	<u>1,613,095,640,185</u>	<u>1,935,576,398,084</u>

6. ADVANCES TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Third parties	981,621,316,540	655,114,960,166
Related parties (Note 32)	48,115,416,162	43,209,791,355
TOTAL	1,029,736,732,702	698,324,751,521

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

7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Related parties (<i>Note 32</i>)	447,790,039,759	200,614,640,366
Third parties	113,474,846,044	120,670,085,991
TOTAL	561,264,885,803	321,284,726,357

8. INVENTORIES

Inventories represent the cost incurred in the development of the on-going industrial zones and real estate projects, comprising of costs of land compensation, qualified borrowing costs and the infrastructure development. Detailed inventories by the Group's projects as at the balance sheet date are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tan Duc Industrial Park ("IP") - Phase I & II (*)	875,248,871,975	612,485,450,030
E-City- Tan Duc area (*)	650,107,193,488	390,181,914,646
Tan Duc Apartment (*)	363,890,607,582	361,858,753,253
Tan Tao IP - Expanding & Existing area (*)	300,544,962,789	311,267,958,358
Tan Duc Entertainment area	270,574,398,648	269,889,617,648
Tan Duc IP - factories for lease (*)	133,191,256,773	132,322,934,809
Kien Luong Energy and Power Center (*)	70,785,975,313	88,238,383,642
Tan Tao Apartment Plaza	28,468,721,678	61,905,977,095
Tan Duc Residential area	79,425,681,103	82,318,841,834
Other (*)	108,536,446,413	100,747,006,006
TOTAL	2,880,774,115,762	2,411,216,837,321

(*) The Group used certain of land use rights of these projects as collateral for short-term and long-term loans from banks (*Notes 18 and 25*).

9. SHORT-TERM PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Maintenance and renovation infrastructure fees of industrial parks	58,339,722,155	32,637,189,111
Others	212,640,742	439,322,267
TOTAL	58,552,362,897	33,076,511,378

10. OTHER CURRENT ASSETS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advance to employees	8,058,453,114	4,716,844,008
Others	8,239,753,370	1,533,894,000
TOTAL	16,298,206,484	6,250,738,008

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

11. TANGIBLE FIXED ASSETS

						VND
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Other assets</i>	<i>Total</i>
Cost:						
Beginning balance	67,450,079,597	7,232,249,911	28,455,094,264	3,303,115,790	71,556,420	106,512,095,982
Additions	-	75,500,000	-	1,541,454,545	-	1,616,954,545
Ending balance	<u>67,450,079,597</u>	<u>7,307,749,911</u>	<u>28,455,094,264</u>	<u>4,844,570,335</u>	<u>71,556,420</u>	<u>108,129,050,527</u>
Accumulated depreciation:						
Beginning balance	(21,295,228,177)	(4,708,513,160)	(17,388,697,872)	(2,891,619,289)	(60,094,708)	(46,344,153,206)
Charges for the year	<u>(5,971,786,379)</u>	<u>(1,198,740,983)</u>	<u>(3,998,982,949)</u>	<u>(149,408,318)</u>	<u>(8,723,284)</u>	<u>(11,327,641,913)</u>
Ending balance	<u>(27,267,014,556)</u>	<u>(5,907,254,143)</u>	<u>(21,387,680,821)</u>	<u>(3,041,027,607)</u>	<u>(68,817,992)</u>	<u>(57,671,795,119)</u>
Net carrying amount:						
Beginning balance	<u>46,154,851,420</u>	<u>2,523,736,751</u>	<u>11,066,396,392</u>	<u>411,496,501</u>	<u>11,461,712</u>	<u>60,167,942,776</u>
Ending balance	<u>40,183,065,041</u>	<u>1,400,495,768</u>	<u>7,067,413,443</u>	<u>1,803,542,728</u>	<u>2,738,428</u>	<u>50,457,255,408</u>

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

12. INTANGIBLE FIXED ASSETS

				VND
	<i>Indefinite land use rights</i>	<i>Definite land use rights</i>	<i>Computer Software</i>	<i>Total</i>
Costs:				
Beginning and ending balance	<u>14,473,188,000</u>	<u>2,222,921,435</u>	<u>4,296,215,505</u>	<u>20,992,324,940</u>
Accumulated amortisation:				
Beginning balance	-	(645,450,732)	(2,688,540,525)	(3,333,991,257)
Charges for the year	<u>-</u>	<u>(186,771,336)</u>	<u>(859,243,092)</u>	<u>(1,046,014,428)</u>
Ending balance	<u>-</u>	<u>(832,222,068)</u>	<u>(3,547,783,617)</u>	<u>(4,380,005,685)</u>
Net carrying amount:				
Beginning balance	<u>14,473,188,000</u>	<u>1,577,470,703</u>	<u>1,607,674,980</u>	<u>17,658,333,683</u>
Ending balance	<u>14,473,188,000</u>	<u>1,390,699,367</u>	<u>748,431,888</u>	<u>16,612,319,255</u>

13. CONSTRUCTION IN PROGRESS

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Compensation, land clearance expense and land use right (*)	100,000,000,000	100,000,000,000
Waste water treatment plant (**)	40,161,048,893	39,771,798,893
Workers' apartment plaza	36,806,398,106	36,806,398,106
SAP Software implementation	4,979,246,600	4,979,246,600
Office Building in Ha Noi	7,007,967,160	5,112,541,455
Others	<u>3,693,543,759</u>	<u>2,205,097,364</u>
TOTAL	<u>192,648,204,518</u>	<u>188,875,082,418</u>

(*) This amount represents the compensation, land clearance expense and land use right incurred related to the land lot located at 220 Bis Dien Ben Phu Street, Binh Thanh District, Ho Chi Minh City, for the purpose of constructing the office building for Tan Tao 276 Investment Corporation – a Company's subsidiary.

(**) The Group used Waste water treatment plant as collateral for short-term and long-term loans from banks (Note 25).

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

14. INVESTMENT PROPERTIES

			VND
	<i>Land</i>	<i>Buildings and structures</i>	<i>Total</i>
Cost:			
Beginning balance	29,687,302,454	118,408,844,854	148,096,147,308
Additions	-	39,216,598,065	39,216,598,065
Ending balance	29,687,302,454	157,625,442,919	187,312,745,373
Accumulated depreciation:			
Beginning balance	(7,408,807,233)	(7,763,469,418)	(15,172,276,651)
Charges for the year	(1,381,866,158)	(11,203,263,602)	(12,585,129,760)
Ending balance	(8,790,673,391)	(18,966,733,020)	(27,757,406,411)
Net carrying amount:			
Beginning balance	22,278,495,221	110,645,375,436	132,923,870,657
Ending balance	20,896,629,063	138,658,709,899	159,555,338,962

Additional disclosures:

- The future annual rental receivable under the operating lease is included in Note 33.
- As at 31 December 2012, the fair value of investment properties cannot be determined reliably. However, given the present lease status, it is management's assessment that these properties' market values are higher than their carrying values at the balance sheet date.

15. LONG-TERM INVESTMENTS

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Long-term investments		
Investments in associates	145,392,053,989	894,023,899,265
Other long-term investments	2,592,287,616,075	1,787,913,138,400
<i>Investments in a listed entity</i>	13,994,600,000	13,994,600,000
<i>Investments in unlisted entities</i>	5,602,810,000	5,602,810,000
<i>Investments in other entities</i>	2,513,820,362,781	1,709,450,834,106
<i>Other investments</i>	58,869,843,294	58,864,894,294
TOTAL	2,737,679,670,064	2,681,937,037,665
Provision for long-term investments		
A listed entity	(3,918,488,000)	(2,658,974,000)
Other entities	(22,803,719,112)	-
NET	2,710,957,462,952	2,679,278,063,665

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

15. LONG-TERM INVESTMENTS (continued)

15.1 Investments in associates

The Group has invested in the following associates in which it has strong expertise or the type of business or services serving its principal activities, with details of its interest as follows:

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost of investment</i>	<i>% of interest</i>	<i>Cost of investment</i>	<i>% of interest</i>
	VND		VND	
Tan Tao Urban Development and Investment Corporation	145,392,053,989	40.00	140,876,731,265	40.00
Tan Tao Energy Development Corporation	-	-	753,147,168,000	29.41
TOTAL	145,392,053,989		894,023,899,265	

Tan Tao Urban Development and Investment Corporation was established in accordance with Business Registration Certificate No. 4103000413 issued by the Department of Planning and Investment of Ho Chi Minh City on 11 May 2001. Its principal licensed activities are residential and industrial construction and trading and investment consulting. This company is not listed on any public stock exchange.

The following table illustrates the movement of the Group's investments in these companies:

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Beginning balance	894,023,899,265	894,159,767,543
Share of post-acquisition profit (loss) in year	51,551,246,415	(135,868,278)
Dividend received	(45,000,000,000)	-
Withdrawal of investment	(755,183,091,691)	-
Ending balance	145,392,053,989	894,023,899,265

15.2 Investments in a listed entity

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Value</i>	<i>Number of shares</i>	<i>Value</i>	<i>Number of shares</i>
	VND		VND	
Nam Viet Commercial Joint Stock Bank				
Cost of investment	13,994,600,000	1,399,460	13,994,600,000	1,399,460
Provision for diminution in value	(3,918,488,000)		(2,658,974,000)	
NET	10,076,112,000		11,335,626,000	

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

15. LONG-TERM INVESTMENTS (continued)

15.3 Investments in an unlisted entity

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Amount</i>	<i>% of</i>	<i>Amount</i>	<i>% of</i>
	<i>VND</i>	<i>interest</i>	<i>VND</i>	<i>interest</i>
276 Mechanics Corporation	<u>5,602,810,000</u>	16.40	<u>5,602,810,000</u>	16.40

15.4 Investments in other entities

The Group has invested in the following other entities in which it has strong expertise or the type of business or services serving its principal activities, with details of its interest as follows:

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost of</i>	<i>% of</i>	<i>Cost of</i>	<i>% of</i>
	<i>investment</i>	<i>interest</i>	<i>investment</i>	<i>interest</i>
	<i>VND</i>		<i>VND</i>	
Tan Tao Energy Development Corporation	761,864,624,000	17.00	-	-
Tan Tao University Corporation	640,475,593,671	15.00	601,547,261,219	15.00
Tan Tao Infrastructure Corp.	619,647,259,082	15.00	616,070,686,859	15.00
Tan Tao Land Saigon - Nhon Hoi Industrial Park Corporation	455,832,886,028	10.00	455,832,886,028	10.00
Saigon Construction Materials Corp.	16,000,000,000	16.00	16,000,000,000	16.00
Vinatex - Tan Tao Investment Corporation	9,000,000,000	18.00	9,000,000,000	18.00
Tan Tao Agrimeco Mechannics- Energy Industrial Park Corporation	8,000,000,000	10.00	8,000,000,000	10.00
	<u>3,000,000,000</u>	0.06	<u>3,000,000,000</u>	0.06
TOTAL	<u>2,513,820,362,781</u>		<u>1,709,450,834,106</u>	
Provision for diminution in value	(22,803,719,112)		-	
NET	<u>2,491,016,643,669</u>		<u>1,709,450,834,106</u>	

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

15. LONG-TERM INVESTMENTS (continued)

15.5 Other long-term investments

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bai Sao Project (i)	53,053,395,384	53,053,395,384
Cement factory project	3,994,086,881	3,994,086,881
Others	1,822,361,029	1,817,412,029
TOTAL	58,869,843,294	58,864,894,294

(i) This amount represents the cost of the land and related infrastructure on total land area of 68,165 square meters, which is located at Bai Sao, An Thoi Ward, Phu Quoc District, Kien Giang Province, Vietnam. The management plans to use the value of this project to increase the Group's investment in Tan Tao Long Beach Joint Stock Company in the future.

16. LONG-TERM PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advertising expenses	9,898,968,511	11,336,710,911
Tools and supplies	818,780,206	1,700,936,609
Others	165,159,007	3,375,910,360
TOTAL	10,882,907,724	16,413,557,880

17. CAPITALIZED BORROWING COSTS

During the year, the Group capitalized borrowing costs amounting to VND 313,547,723,378 (for the year ended 31 December 2011: VND 307,603,014,414). These costs relate to borrowings taken to finance the construction and development of the Group's industrial parks and real estate projects.

18. SHORT-TERM LOANS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term loans from banks	102,500,000,000	408,344,607,505
Current portion of long-term loans (Note 25)	389,133,831,645	466,309,540,065
TOTAL	491,633,831,645	874,654,147,570

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

18. SHORT-TERM LOANS (continued)

Short-term loans from banks

<i>Name of banks</i>	<i>Ending balance</i> VND	<i>Term and maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
Vietnam Bank for Agricultural and Rural Development	33,000,000,000	30 September 2013	15% p.a	Land use right of plot 1847 of Tan Duc Residential area with total amount of VND 43.6 billion
	27,500,000,000	Payment at maturity date before 29 December 2013	16.5% p.a and can be adjusted every month	Land use right of 28,934 square meter at Huu Thanh Ward, Duc Hoa District, Long An Province with total amount of VND 46 billion, which is owned by Tan Duc Investment Corporation
	18,000,000,000	Payment at maturity date before 30 June 2013	16.5% p.a and can be adjusted every month	Land use rights of plot 1845 and attached assets on the land at Duc Hoa Ha Ward, Duc Hoa District, Long An Province with total amount of VND 33.3 billion, which are owned by Tan Duc Investment Corporation
Western Commercial Joint Stock Bank	24,000,000,000	31 December 2013	15% p.a	1,400,000 shares of ITA owned by ITA Fund "For the future"; 600,000 ITA shares owned by Dang Thi Hoang Yen and 400,000 shares of ITA owned by Mrs Vu Thi Nga
TOTAL	<u>102,500,000,000</u>			

The Group obtained these loans for the purpose of financing the working capital.

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

19. TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Third parties (*)	327,034,000,122	333,984,892,894
Related parties (Note 32)	341,635,850	341,635,850
TOTAL	327,375,635,972	334,326,528,744

(*) This balance included the payable to Delta Mien Nam Corporation of VND 45,898,471,327 which was then converted into the Company's shares on 28 February 2013 (Note 38).

20. ADVANCES FROM CUSTOMERS

Advances from customers represent the non-interest bearing advances for land lease contracts received from the Group's customers relating to land which has not been handed over as at the balance sheet date.

21. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax (Note 31.2)	76,780,687,374	65,909,489,033
Value-added tax	7,156,948,829	1,225,601,854
Personal income tax	482,653,412	107,467,775
Other taxes	2,526,363,177	2,431,760,612
TOTAL	86,946,652,792	69,674,319,274

22. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Interest expense from banks and others	174,110,538,037	47,746,235,183
Interest expense from related party (Note 32)	28,495,700,493	-
Cost to complete of the sold land or factories	-	36,026,258,697
Operating expenses	2,316,696,805	6,023,701,256
Others	1,454,403,767	-
TOTAL	206,377,339,102	89,796,195,136

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

23. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Related parties (Note 32)	668,007,384,949	-
Entrusted investment receipt	-	488,199,106,640
Third parties (*)	190,842,979,152	95,667,158,707
TOTAL	858,850,364,101	583,866,265,347

(*) This amount included the payables to Delta Mien Nam Corporation of VND 92,376,828,673 which was then converted into the Company's shares on 28 February 2013 (Note 38).

24. OTHER LONG-TERM LIABILITIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Long-term deposits (*)	28,807,744,536	26,699,798,294
Accrual for severance pay	1,526,625,036	1,614,600,475
TOTAL	30,334,369,572	28,314,398,769

(*) This amount represents the deposits received from the Group's customers for factory and land rental contracts in the industrial parks.

25. LONG-TERM LOANS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Long-term loans from banks (ii)	1,709,661,764,984	1,283,157,834,002
Issued bonds (i)	130,000,000,000	130,000,000,000
Other long-term loans (iii)	477,209,439,773	72,986,697,459
TOTAL	2,316,871,204,757	1,486,144,531,461

In which :

<i>Current portion (Note 18)</i>	389,133,831,645	466,309,540,065
<i>Non-current portion</i>	1,927,737,373,112	1,019,834,991,396

The Group obtained these loans for the purpose of financing the construction and development of the Group's real estate projects.

(i) Issued bonds

On 10 December 2010, the Group issued bonds with principal amounting to VND 130 billion which will be matured on 10 December 2015. The interest rate applied for the first year of issuance is 16% and will be the 12-month deposit rates plus 4% in the subsequent year. The bonds are guaranteed by the Bank for Investment and Development of Vietnam and are obtained for the purpose of financing the construction and development for Block B of the E-City Tan Duc Apartment project in Long An province and the infrastructures of Kien Luong Center in Kien Giang province.

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

25. LONG-TERM LOANS (continued)

(ii) Long-term loans from banks

<i>Name of banks</i>	<i>Ending balance</i> VND	<i>Term and maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
Bank for Investment and Development of Vietnam	321,430,000,000	quarterly repayment from 30 November 2010 up to 25 November 2015	14% p.a and can be adjusted every 3 months	Land use right of 41,786 square meters at Tan Tao IP; land use right of 247.8 ha at Kien Luong IP; land use right at Tan Duc IP (which is owned by Tan Duc Investment Corporation) and all assets were constructed by this loan
	33,000,000,000	quarterly repayment from 30 June 2012 up to 15 November 2015		
	34,275,306,222	72 months from the first drawdown and 18-month grace period	from 19% to 20% p.a	468,000 shares of ITA and value Tan Duc Star Apartment (which is owned by Tan Duc Investment Corporation) of 43.5 billion VND
	27,500,000,000	from 30 December 2012 to 25 November 2015.	14% p.a can be adjusted every 3 months	Land use right No. T992375 at Tan Tao IP, land use right No. AI212802 at Tan Duc IP, land use right IP (which is owned by Tan Duc Investment Corporation), land use right and infrastructure of Kien Luong Energy and Power Center. All cash in banks and receivables owned by the Company.
Vietnam Joint Stock Commercial Bank for Industry and Trade	184,100,000,000	quarterly repayment from 25 June 2010 up to 24 December 2015	15% p.a and can be adjusted every 6 months	Land use right and all assets attached on the land lot No. 589 and 4577 of areas C of E- City Tan Duc project with total amount of VND 899.5 billion
	29,520,000,000	Repayment within 72 months from the first drawdown date	12-month deposit rate plus 0.19% - 0.25% per month and can be adjusted every 6 months	Right to collect Receivable and Land use rights of Centre I and III of Tan Duc IP phase I

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

25. LONG-TERM LOANS (continued)

(ii) Long-term loans from banks (continued)

<i>Name of banks</i>	<i>Ending balance</i>	<i>Term and maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND			
Vietnam Maritime Joint Stock Bank	207,967,880,185	Repayment within 60 months from the first drawdown date	22% p.a	561,839 m2 of land and infrastructures at Tan Duc IP phase II
Joint Stock Commercial Bank for Foreign Trade of Vietnam	183,000,000,000	Repayment within 60 months from the first drawdown date	12-month deposit rate plus 0.25% per month	Right to collect Receivable from land and infrastructures sales and land use rights of phase I and Phase II of Tan Duc IP
Western Commercial Joint Stock Bank	126,438,290,245	quarterly repayment from 18 October 2011 up to 18 January 2016	13% p.a and can be adjusted every month	Land use right and all assets attached on areas B of E city Tan Duc project with total amount of VND 1,974 billion
	170,000,000,000	12 September 2015	13% p.a and can be adjusted 6 months	
	100,000,000,000	16 August 2015		
	50,000,000,000	22 June 2015		
Indovina Bank	8,727,656,640	Repayment in 17 instalments within 48 months after the drawdown date	12-month deposit rate plus 0.25% per month	Right to collect Receivable and Land use rights and 20 warehouses (which is owned by Tan Duc Investment Corporation)
Vietnam Development Bank	15,757,409,511	Repayment within 84 months from the first drawdown date with a 18-month grace period	6.9% p.a	Land use rights and total value of future finished assets from the project "Waste water treatment Plant" amounting to VND 59 billion
Ho Chi Minh City Development Joint Stock Commercial	15,886,180,935	Repayment within 60 months from the first drawdown date	19% p.a	7,000,000 shares in Tan Duc Investment Corporation (which is owned by Tan Tao Investment Corporation) and 10 warehouses (which is owned by Tan Duc Investment Corporation)

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

25. LONG-TERM LOANS (continued)

(ii) Long-term loans from banks (continued)

<i>Name of banks</i>	<i>Ending balance</i>	<i>Term and maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND			
Nam Viet Commercial Joint Stock Bank	20,000,000,000	30 December 2013	15% p.a and can be adjusted by the Bank	Land use right No. T03344 of E city Tan Duc project with total amount of VND 155 billion which is owned by Tan Duc Investment Corporation and 10 million share of Tan Duc Investment Corporation
	17,879,000,000	repayment from 25 July 2011 to 29 May 2015	15% p.a and can be adjusted by the Bank	Land use rights No. BC136291, BC136292 at Tan Duc IP with total amount of VND 161.9 billion, which are owned by Tan Duc Investment Corporation
	14,968,800,000	repayment from 25 July 2011 to 29 May 2015		
	14,251,200,000			
	12,000,000,000	annual repayment from 25 May 2013 up to 25 May 2015		
	6,000,000,000	annual repayment from 25 February 2014 up to 29 May 2015		
	6,000,000,000	annual repayment from 25 July 2013 up to 25 May 2015		
	4,000,000,000	repayment from 25 April 2013 up to 29 May 2015		

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

25. LONG-TERM LOANS (continued)

(ii) Long-term loans from banks (continued):

<i>Name of banks</i>	<i>Ending balance</i>	<i>Term and maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND			
Nam Viet Commercial Joint Stock Bank (continued)	54,595,041,246	Repayment within 24 months from the drawdown date	17.6% p.a. - 18.1% p.a.	5,890,000 shares of ITA owned by Tan Tao University Corporation and land use right of 67,954 m2 of Tan Duc Residential project; E-City Tan Duc project; Tan Duc Apartment project which are owned by Tan Duc Investment Corporation
	41,000,000,000	Repayment within 18 months from the drawdown date		
Vietnam Bank for Agricultural and Rural Development	6,250,000,000	Principal to be repaid within 60 months, the first payment after 12 months from loan receiving date of 15 June 2010	15% p.a	Land use rights of 12,867.52 m2 at Tan Tao IP
	3,435,000,000	quarterly repayment from 15 June 2011 up to 15 June 2015	15% p.a and can be adjusted every 3 months	Land use right and all assets attached on the land lot 1845 at Duc Hoa Ha Ward, Duc Hoa District, Long An Province with total amount of VND 33.3 billion which are owned by Tan Duc Investment Corporation.
	1,680,000,000	quarterly repayment from 15 March 2012 up to 15 December 2013	15% p.a	The right to collect all receivables
TOTAL	1,709,661,764,984			
<i>In which:</i>				
<i>Current portion</i>	365,003,359,175			

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

25. LONG-TERM LOANS (continued)

(iii) Other long-term loans

<i>Name of lenders</i>	<i>Ending balance</i>	<i>Term and maturity date</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND			
Twilight Communications - Entertainment & Media production Corporation (Note 32)	407,243,040,000	Repayment within 60 months as from the first drawdown date	13% p.a	Unsecured
Ho Chi Minh City Finance and Investment Stated-owned Company	27,143,750,000	Quarterly repayment in 10 years since 15 March 2011	Interest rate of 10-year Ho Chi Minh City's bond plus 0.5% p.a thereon	7,000,000 shares of Tan Duc Investment Corporation
	9,804,649,773	Quarterly repayment in 10 years since 15 September 2009		2,500,000 shares of Tan Duc Investment Corporation
Southern Engineering & Informatics – Investment Corporation (Note 32)	14,000,000,000	Quarterly repayment in 5 years since December 2009	State Bank's 12-month deposit interest rate plus 5.8% p.a	Unsecured
Long An Province's Fund Investment and Development	19,018,000,000	84 months from the first drawdown with 12-month grace period	10.1% p.a. - 13% p.a.	Land use right of 24,327 ha and total value of future assets formed from the project "Vocational Training and Applications Tan Duc centres" (which is owned by Tan Tao Investment Corporation) amounting to VND 123 billion
TOTAL	477,209,439,773			
<i>In which:</i>				
<i>Current portion</i>	24,130,472,470			

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

26. OWNERS' EQUITY

26.1 Changes in owners' equity

	VND					
	<i>Issued share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Financial reserve fund</i>	<i>Undistributed earnings</i>	<i>Total</i>
Previous year						
Beginning balance	3,412,755,650,000	1,621,392,607,511	(7,697,530,000)	9,154,986,000	749,309,706,254	5,784,915,419,765
Stock dividends	12,870,000,000	-	(317,750,000)	-	(12,552,250,000)	-
Acquisition of treasury shares	-	-	(5,000,000)	-	-	(5,000,000)
Net profit for the year	-	-	-	-	73,449,762,458	73,449,762,458
Ending balance	<u>3,425,625,650,000</u>	<u>1,621,392,607,511</u>	<u>(8,020,280,000)</u>	<u>9,154,986,000</u>	<u>810,207,218,712</u>	<u>5,858,360,182,223</u>
Current year						
Beginning balance	3,425,625,650,000	1,621,392,607,511	(8,020,280,000)	9,154,986,000	810,207,218,712	5,858,360,182,223
Bonus shares	683,940,550,000	(683,940,550,000)	-	-	-	-
Stock dividends	341,952,600,000	-	-	-	(341,952,600,000)	-
Acquisition of treasury shares	-	-	(33,290,000)	-	-	(33,290,000)
Net profit for the year	-	-	-	-	32,975,218,865	32,975,218,865
Ending balance	<u>4,451,518,800,000</u>	<u>937,452,057,511</u>	<u>(8,053,570,000)</u>	<u>9,154,986,000</u>	<u>501,229,837,577</u>	<u>5,891,302,111,088</u>

During the year, the Board of Directors declared the dividend for the year 2010 by stock dividends and issued bonus shares amounting to VND 1,025,893,150,000 in accordance with the Annual General Meeting Resolutions No. 01-03/NQ-HĐCĐ-ITA-12 dated 28 April 2011 to the Company's existing shareholders at their respective interest percentage. The issuance was approved by Ho Chi Minh Stock Exchange in accordance with the Decision No. 74/2012/QĐ-SGDHCM dated 25 May 2012.

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

26. OWNERS' EQUITY (continued)

26.2 Capital transactions with owners and distribution of dividend, profits

	VND	
	Current year	Previous year
Issued share capital		
Beginning balance	3,425,625,650,000	3,412,755,650,000
Increase	<u>1,025,893,150,000</u>	<u>12,870,000,000</u>
Ending balance	<u>4,451,518,800,000</u>	<u>3,425,625,650,000</u>
Dividends		
Stock dividends	341,952,600,000	12,870,000,000

26.3 Shares

	Number of shares	
	Ending balance	Beginning balance
Authorized shares	500,000,000	500,000,000
Shares issued and fully paid	445,151,880	342,562,565
<i>Ordinary shares</i>	<i>445,151,880</i>	<i>342,562,565</i>
Treasury shares	(579,998)	(576,669)
Outstanding shares	444,571,882	341,985,896
Unissued shares	54,848,120	157,437,435

26.4 Earnings and diluted per share

	Current year	Previous year
Net profit attributable to ordinary equity holders of the parent (VND)	32,975,218,865	73,449,762,458
Weighted average number of ordinary shares	<u>444,574,379</u>	<u>443,864,880</u>
Basic earnings and diluted per share (VND)	<u>74</u>	<u>165</u>

27. MINORITY INTERESTS

Movements in minority interests during the year are as follows:

	VND
Beginning balance	11,338,072,079
Add: Net profit after tax attributable to minority interests in year	<u>318,013,110</u>
Ending balance	<u>11,656,085,189</u>

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

28. REVENUES**28.1 Revenues from sale of goods and rendering of services**

	VND	
	Current year	Previous year
Gross revenues	568,477,090,042	438,231,252,845
Of which :		
<i>Sale of industrial plots and related infrastructures</i>	444,181,901,936	223,278,890,858
<i>Rendering of services</i>	75,233,522,681	98,674,113,521
<i>Operating lease of factories, warehouses and office</i>	33,007,570,984	33,091,164,014
<i>Finance lease of factories, warehouses and office</i>	6,824,707,816	80,650,946,984
<i>Sale of residential apartments</i>	9,229,386,625	2,536,137,468
Less		
Sales returns (*)	(532,216,834,164)	(66,534,812,011)
Net revenues	36,260,255,878	371,696,440,834
Of which :		
<i>Sale of industrial plots and related infrastructures</i>	(86,295,330,709)	156,744,078,847
<i>Rendering of services</i>	74,135,351,321	98,674,113,521
<i>Operating lease of factories, warehouses and office</i>	33,007,570,984	33,091,164,014
<i>Finance lease of factories, warehouses and office</i>	6,824,707,816	80,650,946,984
<i>Sale of residential apartments</i>	8,587,956,466	2,536,137,468
TOTAL	36,260,255,878	371,696,440,834

(*) In accordance with the Liquidation Minute of land rental contract dated 30 July 2012 between the Company and Tan Duc Construction Investment Co., Ltd ("Tan Duc"), the Company recovered the land lots which were handed over to Tan Duc in prior years, since Tan Duc did not execute the construction on the land as committed in the original land lease contract. Accordingly, the Group recorded an amount of sales returns on the consolidated income statement amounting to VND 414,035,650,000.

28.2 Finance income

	VND	
	Current year	Previous year
Interest income from land and factory rental contracts	33,566,426,845	16,342,380,475
Unrealised foreign exchange gains	1,275,736,051	18,437,764,164
Dividend income	483,552,000	65,851,256,947
Bank interest income	219,205,450	15,117,823,329
Realised foreign exchange gains	74,480,346	138,199,800
Others	283,566,951	188,966,520
TOTAL	35,902,967,643	116,076,391,235

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

29. COSTS OF GOODS SOLD AND SERVICES RENDERED

		VND
	<i>Current year</i>	<i>Previous year</i>
Cost of industrial plots and related infrastructures	(181,619,610,267)	41,799,037,857
Cost rendering of services	50,990,064,547	91,041,045,513
Cost operating lease of factories, warehouses and office	10,287,929,079	3,979,325,949
Cost finance lease of factories, warehouses and office	4,990,506,784	45,547,943,245
Cost of sale of residential apartments	5,363,538,483	2,069,405,774
TOTAL	<u>(109,987,571,374)</u>	<u>184,436,758,338</u>

30. FINANCE EXPENSES

		VND
	<i>Current year</i>	<i>Previous year</i>
Loan interest expense	123,304,101,527	115,552,913,482
Provision for diminution in value of investments	21,641,081,821	2,658,974,000
Redeem investment	6,670,162,691	-
Unrealised foreign exchange losses	1,755,612,946	-
Loss from write-off of investments	627,227,866	19,089,922,144
Realised foreign exchange losses	2,130,500	16,653,145,412
Others	777,912,637	945,310,911
TOTAL	<u>154,778,229,988</u>	<u>154,900,265,949</u>

31. CORPORATE INCOME TAX

The Company and its subsidiaries have the obligation to pay corporate income tax ("CIT") at the rate of 25% of taxable profits, except for Tan Duc Investment Corporation and Tan Tao Services Utilization – Office and Warehousing Trade Co., Ltd.

Tan Duc Investment Corporation is obliged to pay CIT at the rate of 10% for 15 years from commencement of its operations, and 25% for the years thereafter. Tan Duc Investment Corporation is entitled to an exemption from CIT for 6 (six) years from 2006 to 2012, and a 50% reduction for the following 9 (nine) years.

Tan Tao Services Utilization – Office and Warehousing Trade Co., Ltd. is obliged to pay CIT at the rate of 20% of taxable profits.

The tax returns of the Company and its subsidiaries are subjects 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 be changed at a later date upon final determination by the tax authorities.

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

31. CORPORATE INCOME TAX (continued)

31.1 CIT

	VND	
	Current year	Previous year
Current CIT expense	11,760,914,415	33,643,766,169
Deferred CIT benefit	(25,568,551,802)	(18,546,086,769)
TOTAL	(13,807,637,387)	15,097,679,400

31.2 Current CIT

The current tax payable is based on taxable profit for the year. Taxable profit of the Group for the year differs from profit 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 by the balance sheet date.

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

	VND	
	Current year	Previous year
Net profit before tax	19,485,594,588	89,803,671,813
<i>Adjustments for:</i>		
Tax losses of the subsidiaries	(972,358,439)	-
Change in unrealised foreign exchange differences	(2,075,605,730)	6,023,337,122
Accrued operating expenses	(15,090,180,568)	49,563,200,716
Unbilled income	(373,515,861)	(74,363,577)
Exempted dividend income	(483,552,000)	(65,851,256,947)
Profit from sale of industrial plots and related infrastructures not yet taxable	85,899,263,262	28,162,759,099
Shares of (profits) losses from associates	(51,551,246,415)	135,868,278
Effect of unrealised profit in consolidation	3,880,605,831	3,316,915,282
Non-deductible expenses	1,907,730,988	22,481,363,109
Others	3,610,329,303	5,473,857,463
Taxable profit	44,237,064,959	139,035,352,358
Estimated current CIT expense	11,491,664,406	34,053,113,755
CIT reduction	-	(1,014,167,829)
CIT from other income	93,378,965	115,098,023
Under-accrual from prior years	175,871,044	489,722,220
Estimated current CIT expense	11,760,914,415	33,643,766,169
CIT payable at beginning of year	65,909,489,033	55,174,922,936
CIT paid during the year	(889,716,074)	(22,909,200,072)
CIT payable at end of year	76,780,687,374	65,909,489,033

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

31. CORPORATE INCOME TAX (continued)

31.3 Deferred CIT

Following are the deferred tax assets (liabilities) recognized by the Group, and the movements thereon, during the current and prior reporting year:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Prior year</i>
Profit from sale of industrial plots and related infrastructures not yet taxable	(132,025,246,409)	(161,552,223,523)	29,526,977,114	3,151,218,574
Accrual of operating expenses	11,514,403,975	15,286,949,117	(3,772,545,142)	12,909,439,396
Unrealised foreign exchange gains	(10,464,245,680)	(9,945,461,420)	(518,784,260)	1,080,986,317
Unrealised profit in consolidation	4,214,300,630	4,457,390,240	(243,089,610)	(4,322,548,495)
Interest income on factory rental contracts	-	(1,568,525,743)	1,568,525,743	(384,031,440)
Provisions	1,224,054,764	321,472,438	902,582,326	199,238,263
Others	(16,478,928,220)	(14,583,813,851)	(1,895,114,369)	5,911,784,154
Deferred tax liabilities	(142,015,660,940)	(167,584,212,742)		
Net deferred CIT			25,568,551,802	18,546,086,769

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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32. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Amount</i>
Tan Tao University Corporation	Related party	Advances received	458,558,674,297
		Capital contribution	23,928,332,451
		Reimbursement	11,246,169,348
Tan Tao Urban Development and Investment Corporation	Associate	Capital contribution	4,634,239,000
Tan Tao Energy Development Corporation	Associate	Dividends income	45,000,000,000
		Capital contribution	8,717,456,000
		Sales of land of Kien Luong Energy and Power Center (*)	362,250,000,000
Tan Dong Phuong Corporation	Major shareholder	Net off receivable and payable	169,186,628,749
		Advance	35,516,220,000
Tan Tao Infrastructure Corporation	Related party	Advance	1,728,400,000
Tan Tao Hospital Corporation	Related party	Advance	1,461,925,000
Southern Engineering & Informatics - Investment Corporation	Related party	Advance for project consultant fees	10,265,060,000
		Net-off receivables and payables	76,892,750,000
		Advance received	69,650,000,000
ITA Fund "For the future"	Common key personnel	Net-off payables with Tan Tao University Corporation	168,988,660,000

(*) This amount represented the sales from the transfer of leased land in Kien Luong Industrial Park, Kien Luong Ward, Kien Giang Province to Tan Tao Energy Development Corporation, the related party at the price of 150 US\$/square meter for 70 years, increasing by 50% as compared to the original price of 100 US\$/square meter. This adjustment was agreed by the two parties in accordance with the Contract Appendix No. 2840/PLHDKT-12 dated 17 July 2012. The Company's management believes this revised price is appropriate given the current market situation.

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

32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Receivable (payable)</i>
Trade receivables			
Tan Tao Energy Development Corporation	Related party	Sales of land of Kien Luong Energy and Power Center	1,323,804,545,456
Tan Dong Phuong Corporation	Major shareholder	Sale of land of Tan Tao Industrial Park	9,260,400,000
Tan Tao University Corporation	Related party	Rendering of services	1,293,077,720
Southern Engineering & Informatics - Investment Corporation	Related party	Rendering of services	1,207,622,492
			<u>1,335,565,645,668</u>
Advances to suppliers			
Southern Engineering & Informatics - Investment Corporation	Related party	Advance for project consultant fee	<u>48,115,416,162</u>
Other receivables			
Tan Dong Phuong Corporation	Major shareholder	Advance	161,766,628,749
Tan Tao Energy Corporation	Related party	Advance	110,912,019,000
Southern Engineering & Informatics - Investment Corporation	Related party	Advance	104,057,866,037
Tan Tao Energy Development Corporation	Related party	Dividends	45,000,000,000
Other individual	Related party	Other	23,914,024,329
Twilight Communications - Entertainment & Media production Corporation	Related party	Advance	1,467,353,000
Tan Tao University Corporation	Related party	Advance	672,148,644
			<u>447,790,039,759</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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32. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Receivable (payable)</i>
Trade payables			
Tan Dong Phuong Corporation	Major shareholder	Construction works	<u>(341,635,850)</u>
Other payables			
Tan Tao University Corporation (*)	Related party	Advance received	(454,772,504,949)
ITA Fund "For the future" (*)	Common key personnel	Advance received	(168,988,660,000)
Tan Dong Phuong Corporation	Major shareholder	Advance	(35,516,220,000)
Other individual	Related party	Others	(7,200,000,000)
Tan Tao Urban Development and Investment Corporation	Associate	Others	(1,050,000,000)
Twilight Communications - Entertainment & Media production Corporation	Related party	Others	(480,000,000)
			<u>(668,007,384,949)</u>
Long term loan			
Twilight Communications - Entertainment & Media production Corporation (*)	Related party	Loan	(407,243,040,000)
Southern Engineering & Informatics – Investment Corporation	Related party	Loan	(14,000,000,000)
			<u>(421,243,040,000)</u>
Accrued expenses			
Twilight Communications - Entertainment & Media production Corporation	Related party	Interest expense	<u>(28,495,700,493)</u>

(*) Part of these balances were then converted into the Company's shares on 28 February 2013 (Note 38).

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

33. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases its office premises under operating lease arrangement. Future rental amounts due under operating lease as at the balance sheet date were as follows:

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than one year	1,929,488,420	5,129,769,456
From 1 - 5 years	9,681,499,720	12,812,551,200
More than 5 years	40,935,658,900	25,408,645,395
TOTAL	52,546,647,040	43,350,966,051

The Group lease out lands and warehouses under operating lease arrangements. The future minimum rental receivable as at the balance sheet date under the operating lease agreements is as follows:

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	36,312,207,727	33,620,955,216
From 1 - 5 years	126,632,714,840	112,657,884,950
More than 5 years	176,191,984,851	177,529,134,654
TOTAL	339,136,907,418	323,807,974,820

Capital expenditure commitments

The Group has contractual commitments for the construction work and services for its projects as at the balance sheet date as follows:

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Construction of infrastructure systems	540,838,527,657	580,649,269,252
Survey consultancy	52,256,436,402	58,304,842,602
Construction of warehouses	53,217,983,827	33,257,804,221
Design consultancy	18,130,118,877	10,046,500,777
Ground clearing	9,666,404,768	9,666,404,768
Compensation	569,675,046	737,716,046
Geological survey	767,504,000	729,950,000
Purchase of machinery and equipment	467,060,000	-
Others	13,053,948,411	3,920,811,718
TOTAL	688,967,658,988	697,313,299,384

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

33. COMMITMENTS AND CONTINGENCIES (continued)

Capital contribution obligation

As at 31 December 2012, the Group has also outstanding capital obligations for its investments in associates and other entities with direct interest less than 20% as follows:

Entities	Relationship	Charter capital		As at 31 December 2012	
		Amount as per BRC	%	Contributed charter capital	Un-contributed charter capital
		VND	of interest	VND	VND
Tan Tao Infrastructure Corporation	Related companies	1,000,000,000,000	10.00	619,647,259,082	380,352,740,918
Tan Tao University Corporation	Related companies	750,000,000,000	12.00	640,475,593,671	109,524,406,329
Tan Tao Land Corporation	Related companies	750,000,000,000	10.00	455,832,886,028	294,167,113,972
Tan Tao Energy Development Corporation	Related companies	867,000,000,000	17.00	768,534,786,691	98,465,213,309
Tan Tao Urban Development and Investment Corporation	Associate	200,000,000,000	40.00	145,392,053,989	54,607,946,011
TOTAL		3,567,000,000,000		2,629,882,579,461	937,117,420,539

34. 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. The operating businesses are organized 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 Group is principally engaged in the development of industrial parks and in resident parks, provision of finance leases of factories, warehouses and offices, and rendering of related services.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between business segments. Those transfers are eliminated in preparation of consolidated financial statements.

The Group operates in one geographical segment which is Vietnam.

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

34. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liabilities information regarding the Group's business segment.

						VND
	<i>Sale of industrial plots and related infrastructure</i>	<i>Finance lease of factories, warehouses and office</i>	<i>Sales of resident area</i>	<i>Other services</i>	<i>Eliminations</i>	<i>Total</i>
Current year						
Revenue						
<i>Sales to external customers</i>	(86,295,330,709)	36,868,742,565	8,587,956,466	95,602,427,030	(18,503,539,474)	36,260,255,878
Total revenue	(86,295,330,709)	36,868,742,565	8,587,956,466	95,602,427,030	(18,503,539,474)	36,260,255,878
Results						
<i>Segment net profit before tax</i>	157,447,669,931	(28,684,112,521)	4,524,740,821	59,351,770,049	(49,778,234,370)	142,861,833,910
<i>Unallocated expenses</i>						(123,376,239,322)
<i>Net profit before CIT</i>						19,485,594,588
<i>CIT benefit</i>						13,807,637,387
Net profit after tax						33,293,231,975
Assets and liabilities						
<i>Segment assets</i>	4,598,530,660,020	279,756,578,579	1,261,449,016,724	114,376,310,348	(1,822,207,916,158)	4,431,904,649,513
<i>Unallocated assets</i>						5,574,568,159,542
Total assets						10,006,472,809,055
<i>Segment liabilities</i>	486,173,586,685	11,222,545,631	11,637,045,097	113,873,820,645	(151,136,567,517)	471,770,430,541
<i>Unallocated liabilities</i>						3,631,744,182,237
Total liabilities						4,103,514,612,778
Other segment information						
<i>Tangible fixed assets</i>	-	-	-	1,616,954,545	-	1,616,954,545
<i>Depreciation</i>	(19,498,078,231)	8,330,342,104	1,940,413,759	21,600,978,709	-	12,373,656,341

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

34. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liabilities information regarding the Group's business segment (continued):

VND

	<i>Sale of industrial plots and related infrastructure</i>	<i>Finance lease of factories, warehouses and office</i>	<i>Sales of resident area</i>	<i>Other services</i>	<i>Eliminations</i>	<i>Total</i>
Previous year						
Revenue						
<i>Sales to external customers</i>	156,744,078,847	113,742,110,998	2,536,137,468	98,674,113,521	-	371,696,440,834
Total revenue	156,744,078,847	113,742,110,998	2,536,137,468	98,674,113,521	-	371,696,440,834
Results						
<i>Segment net profit before tax</i>	105,890,571,469	63,533,920,845	1,464,317,808	47,044,766,355	(28,009,005,834)	189,924,570,643
<i>Unallocated income</i>						(100,120,898,830)
<i>Net profit before CIT</i>						89,803,671,813
<i>CIT expense</i>						(15,097,679,400)
Net profit after tax						74,705,992,413
Assets and liabilities						
<i>Segment assets</i>	5,439,517,784,513	2,770,984,006,791	61,785,351,979	2,403,897,624,652	(1,622,915,125,525)	9,053,269,642,410
<i>Unallocated assets</i>						11,142,646,816
Total assets						9,064,412,289,226
<i>Segment liabilities</i>	590,512,580,665	300,817,274,924	6,707,401,113	260,966,476,481	(38,047,986,248)	1,120,955,746,935
<i>Unallocated liabilities</i>						2,073,758,287,989
Total liabilities						3,194,714,034,924
Other segment information						
<i>Tangible fixed assets</i>	21,429,644,400	-		(20,709,989,097)	-	719,655,303
<i>Depreciation</i>	6,443,030,831	3,282,190,829	73,183,864	2,847,382,272	-	12,645,787,796

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also hold available-for-sale investments. The Group does not hold or issue derivative financial instruments.

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

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, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2012 and 31 December 2011.

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

In calculating the sensitivity analyses, management assumed that the statement of the balance sheet relates to available-for-sale debt instrument; the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2012 and 31 December 2011.

Interest rate risk

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

The Group manages its interest rate risk by keeping close watch on relevant market situation, including domestic and international money market and economic, in order to contemplate and adapt its leverage level as well as financing strategies to the prevailing situation.

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate sensitivity

With all other variables held constant, the cost for development of property projects of the Group is mainly affected through the impact on floating rate borrowings because the Group obtained these loans to finance for the development of projects. The impact is disclosed as follows:

			VND
	<i>Increase/decrease in basis points</i>	<i>Effect on cost of projects (inventories)</i>	<i>Effect on the profit before tax</i>
For the year ended 31 December 2012			
VND	300	47,256,798,306	(22,257,770,578)
VND	-300	(47,256,798,306)	22,257,770,578
For the year ended 31 December 2011			
VND	+200	24,170,738,765	(22,164,865,602)
VND	-200	(24,170,738,765)	22,164,865,602

Foreign currency risk

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

The Group is exposed to foreign currency risk in relation to purchases and sales of goods which are denominated in currencies other than its accounting currency as disclosed in Note 2.4. The Group manages its foreign currency exposure by considering the prevailing and expected market situation when it plans for future purchases and sales of goods denominated in foreign currencies, other than increasing natural-hedged proportion. The Group does not employ any derivative financial instruments to hedge its foreign currency exposure.

Foreign currency sensitivity

The Group's exposure to foreign currency changes for foreign currencies is not material as at the balance sheet date.

Equity price risk

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

At the reporting date, the exposure to listed equity securities at fair value was VND 10,076,112,000 (31 December 2011: VND 11,335,626,000). A decrease of 10% on the stock market index could have an impact of approximately VND 1,007,611,200 (31 December 2011: VND 1,133,562,600) on the Group's profit after tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase Group's profit after tax by VND 1,007,611,200 (31 December 2011: VND 1,133,562,600).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012**35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)*****Market risk*** (continued)*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 and (ii) the exposure of the fair values of the portfolio to market and occupier fundamentals. The Group established the Planning and Investment Department to prepare the detail investment plan in order to reduce the risks that may arise in the planning process.

Credit risk

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

Bank deposits

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Group's accounting department in accordance with the Group's policy. The Group evaluates the concentration of credit risk in respect to bank deposit as low.

Trade receivables

Customer credit risk is managed by the Group based on its established policy, procedures and control relating to customer credit risk management. The Group evaluates the credit risk in respect to trade receivables as low.

The management evaluate all financial assets are neither past due nor impaired as they related to recognized and creditworthy counterparties.

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 maintaining 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

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>
Ending balance			
Loans and borrowings	491,633,831,645	1,797,737,373,112	2,289,371,204,757
Bond	-	130,000,000,000	130,000,000,000
Trade payables	327,375,635,972	-	327,375,635,972
Other payables and accrued expenses	1,065,227,703,203	-	1,065,227,703,203
	<u>1,884,237,170,820</u>	<u>1,927,737,373,112</u>	<u>3,811,974,543,932</u>
Beginning balance			
Loans and borrowings	874,654,147,570	889,834,991,396	1,764,489,138,966
Bond	-	130,000,000,000	130,000,000,000
Trade payables	334,326,528,744	-	334,326,528,744
Other payables and accrued expenses	673,662,460,483	-	673,662,460,483
	<u>1,882,643,136,797</u>	<u>1,019,834,991,396</u>	<u>2,902,478,128,193</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 part of its shares of Tan Duc Investment Corporation and Tan Tao University Corporation in order to fulfil the collateral requirements for the bank loans (*Notes 18 and 25*). In addition, the Company used its land use rights of 82,103.2 square meters at Kien Giang Province and land use rights of E-City projects at Duc Thanh Ward, Duc Hoa District, Long An Province to secure for long-term loans of Tan Tao Energy Corporation, its related partly, with total amount of VND 860,000,000,000,000.

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

36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

VND

	<i>Carrying amount</i>				<i>Fair value</i>	
	<i>Ending balance</i>		<i>Beginning balance</i>		<i>Ending balance</i>	<i>Beginning balance</i>
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>		
Financial assets						
Investment in listed shares	13,994,600,000	(3,918,488,000)	13,994,600,000	(2,658,974,000)	10,076,112,000	11,335,626,000
Investment in unlisted shares	2,578,293,016,075	(22,803,719,112)	1,773,918,538,400	-	(*)	(*)
Receivable from related parties	1,783,355,685,427	-	1,176,145,542,937	-	(*)	(*)
Trade receivables	955,200,545,611	-	1,460,142,978,607	-	(*)	(*)
Other receivables	113,474,846,044	-	120,670,085,991	-	(*)	(*)
Cash and cash equivalents	30,386,613,638	-	60,140,399,463	-	30,386,613,638	60,140,399,463
TOTAL	5,474,705,306,795	(26,722,207,112)	4,605,012,145,398	(2,658,974,000)		

VND

	<i>Cost</i>		<i>Fair value</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Financial liabilities				
Loans and borrowings	2,419,371,204,757	1,894,489,138,966	(*)	(*)
Payable to related parties	668,349,020,799	341,635,850	(*)	(*)
Trade payables to third parties	327,034,000,122	333,984,892,894	(*)	(*)
Other current liabilities	397,220,318,254	673,662,460,483	(*)	(*)
TOTAL	3,811,974,543,932	2,902,478,128,193		

(*) Fair value of these financial instruments can not be reliably determined due to lack of specific accounting guidance under the Vietnamese Accounting Standards in Vietnam.

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

36. 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:

- Fair value of 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.

37. CORRESPONDING FIGURES

As at 31 December 2011, the accrual for severance pay following Article 42 of the Labour code 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 ended should be nil following the guidance in Circular No.180/2012/TT-BTC issued by Ministry of Finance on 24 October 2012. Therefore, the accrual for severance pay is reclassified to Other long-term liabilities to suit the current year's presentation. Details are as follows:

			VND
	As at 31 December 2011 (as previously presented)	Reclassification	As at 31 December 2011 (as reclassified)
Consolidated balance sheet			
Other long-term liabilities	26,699,798,294	1,614,600,475	28,314,398,769
Provision for severance allowance	1,614,600,475	(1,614,600,475)	-

38. EVENTS AFTER THE BALANCE SHEET DATE

On 28 February 2013, the Company completed the issuance of 115,678,032 shares to its strategic suppliers by setting off against payables to these companies in accordance with the Annual General Meeting Resolutions No. 611/NQ-HĐCĐ-ITA-12 dated 27 April 2012.

Except for the event above, there have been no other significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.

Nguyen Viet Doan
Preparer

Pham Thanh Them
Chief Accountant

Thai Van Men
General Director

30 March 2013