



20 years



**NAM LONG**  
ANNUAL  
REPORT **2011**

NAM LONG 2011

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**ANNUAL  
REPORT**

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**“...WITH EFFECTIVE PLANS, NAM LONG’S SUSTAINABLE DEVELOPMENT IS SUCCESSFULLY CONTINUED TO OFFER A STABLE AND LONG - TERM BENEFITS AND PROFITS TO THE SHARE-HOLDERS, STRATEGIC PARTNERS AND SOCIAL COMMUNITIES...”**

## **MESSAGE**

Message from the Chairman of Board of Directors



## MESSAGE FROM THE CHAIRMAN OF BOARD OF DIRECTORS



Dear all shareholders,

The market in 2011 witnessed changes in laws, policies, and the inflation rate reaching 18.5%, pushing almost all real estate companies into great challenges. The housing price decreased dramatically, transactions were quiet, bank interest increased sharply and so forth, resulting in winding-up of many institutions.

Facing with the intense screening of the market, Nam Long realize that orienting itself with appropriate strategy is the most prerequisite to maintain its survival and future development with persistent challenges. The year 2011 ended with Nam Long's success which was widely recognized as the iceberg upside but as the sink of iceberg, i.e., strengthening the internal organizational structure, preparing new product strategy, and willing to use internal resources for the impressive leap once approaching to new potential opportunities.

With high determination and business motto for interest and profit of shareholders, strategic partners, company staffs and social communities, in the 2012, Nam Long Investment Corporation will keep opening new development program, beginning with the 5 – year plan (from 2012 to 2017) including the following concrete objectives:

- To be listed in the top three new urban area developers in Vietnam to the highest satisfaction of the customers.

- To be one of three companies attaining the highest market share in housing development field at affordable price - affordable housing.

In order to achieve the above mentioned goal, during this year, Nam Long will focus on the following operational aspects:

### Regarding internal affairs:

Nam Long will:

- Enhance the management capacity of the Company's organizational structure in accordance with Nam Long's outstanding development plan in the following years.

- Perfect the organizational structure of the member companies, making use of the resonance advantage to improve effectiveness of company group model.

- Focus on R & D of the product lines in accordance with market demand, of which especially EHome product for the market of the North and the West of Sai Gon.

- Improve the investment preparation work for the major projects such

as Nguyen Son project, Waterpoint, Nam Long – Hong Phat project, Vinh Phu, Tien Hung project and so forth.

### External affairs:

Nam Long will:

- Build up customer service system through the financial solutions, strengthening the customer service capacity, better serving customers with the highest effective and professional quality.

- Develop product in parallel with creating civilized and friendly community environment to the highest satisfaction of local people.

- Actively search for financial and real estate partners in order to accumulate the experience and clear the financial resources, improving powerful capacity to develop the large scale project launched by Nam Long Investment Corporation.

- Build up cooperative investment models under WIN – WIN model to search for appropriate partners subject to each product line and general development strategy of the company.

Obviously, 2012 is a year with a plenty of challenges. However, it is also a good opportunity for the companies with far-sight vision. Thanks to a long

term strategy of the Management, with the concentrated preparation, the consensus and solidarity of all staffs and employees, the support of consultancy organizations such as Real estates, urban area development, design, finance, investment, share issuance, etc and especially the support of strategic shareholders (ASPL - Ireka Fund, VAF - Mekong Capital Fund, Nam Viet Ltd.) and all shareholders, we strongly believe that Nam Long will certainly overcome all difficulties and achieve new growth steps.

I wish all shareholders good health, success, and continue to be an fellow- passenger with Nam Long's development.

Sincerely yours,

**Nguyen Xuan Quang**

The Chairman of the Board of Directors



**CREATE LIVING ENVIRONMENT  
OFFERING HUMANITY VALUE TO  
THE COMMUNITY**

# 1

## INTRODUCTION ABOUT COMPANY

Overview  
History and development  
Business line  
Highlights of the year 2011  
Achievements  
Development orientation



## OVERVIEW



**Name of company in Vietnamese:** Công ty Cổ phần Đầu tư Nam Long  
**Name of company in English:** Nam Long Investment Corporation  
**Charter capital:** 615.719.470.000 VND  
**Address of headquarters office:** No. 6 - Nguyen Khac Vien - Tan Phu ward  
 - District 7 - Ho Chi Minh City - Vietnam  
**Tel:** (+84 8) 54 16 17 18  
**Fax:** (+84 8) 54 17 18 19  
**Website:** [www.namlongvn.com](http://www.namlongvn.com)  
**Email:** [info@namlongvn.com](mailto:info@namlongvn.com)



## MISSION, VISION AND CORE VALUES

### MISSION

- Creating living environment offering humanity value to the community

### VISION

- Becoming a standard measurement of the current real estate business field

### CORE VALUES

- Understanding customer's demand in order to meet beyond their expectation
- Encouraging to cooperate and develop together
- Respecting transparency of thinking and action
- Launching a systematic application to improve working professionalism
- Developing creativity to build up a global healthy professional playing field
- Accompanying to work and bringing value to shareholders and sharing benefits to each shareholders
- Protecting ecological stability to develop a healthy living environment.



## HISTORY AND DEVELOPMENT

# 20 YEARS - ESTABLISHMENT & DEVELOPMENT

Catching the strong developing trends of business sector, Nam Long officially changed its name into Nam Long Investment Corporation with the charter capital of 78 times compared to this of the first establishment

### 2005

Marking the integration and the development level in the new period, Nam Long accepted the synergy power from the two strategic partners - Nam Viet Ltd. Co., (owning 100% of capital of an English world famous financial corporation) and ASPL Fund (under Ireka Corporation - a top real estate developing corporation in Malaysia)

### 2008

Nam Long introduced its general head quarters which named as Capital Tower, located in the center of group of Finance - Commercial - New Service of Ho Chi Minh City - the Southeast Sai Gon urban area in District 7.

### 2009

Nam Long increased its charter capital up to 410, 48 VND billions.

Nam Long declared and grant the certification to Vietnam Azela Fund (VAF Fund), under management of Mekong Capital - one of the company controlling foreign investment currencies in Vietnam as Nam Long company shareholders

### 2010

Nam Long increased its charter capital up to 615.70 VND billions

### 2011

### 1992

Nam Long was first established and named itself as Nam Long Ltd. Co.,

### 1996

Nam Long determined its orientation to become one of the first urban area investment and development corporation

### 1999

Nam Long strengthened its business operation with a range of housing and residential area, branded "Nam Long house"

### 2003

Nam Long expanded its development in investing to the other provincial real estate such as Binh Duong province, Can Tho province, Long An province, Ba Ria Vung Tau, and Dong Nai province... with a large scale up to tens of hectares - one project.

### 2004

Nam Long began to restructure its organization to comply with the professional orientation



## BUSINESS LINES



NAM LONG'S LAND  
FUND OWNERSHIPS IS  
AVAILABLE, COVERING  
TOTAL AREA OF OVER

**567**ha

“... Being available for over 18 years, **Nam Long Corporation** has become an investor who contributes to the market of real estate several diverse products...”

### Developing real estate and infrastructure for urban area

Since 1997, developing real estate and living infrastructure for urban area have become a key orientation in the strategic development of Nam Long Corporation. In this field, Nam Long has implemented land clearance and compensation - receiving transfer of land - use rights - or renting the land area which is unplanned and without urban infrastructures. After that, Nam Long contributes the added value to the land area by planning and developing technical and social infrastructures. Those projects in the ideal location, with a

fully - worked out infrastructure, sufficiency of public facilities, healthy and security living environment, as well as modern designing style bringing true value of life will continue to be Nam Long's goal.

Nam Long is honored to be one of the leading organizations who build up complete housings and residential areas to contribute to the supply of real estate market from 1999. With duration of over 18 years, Nam Long Corporation has become an investor who contributes to the market of real estate several diverse products in order to meet the demand of the market segments such as: apartments with outstand-

ing product line EHome for the stable average income earners, or the townhouses typically Nam Thong townhouse for the high income earners and villas such as Nam Phu villa, Thao Nguyen Sai Gon and so forth. All these products are welcomed and achieve valuable prizes and being encouraged to develop from the customers and social communities.

At the present, Nam Long Corporation own the land – use right of total area of 567 hectares, chiefly in the center group of urban and residential area of Ho Chi Minh City, Can

Tho, Long An, Binh Duong and Ba Ria - Vung Tau, etc.

### Investment and development of working offices, service apartments, and tourist resorts

Understanding that the demand of commercial real estate and tourist real estate is very potential and almost independent of the ups and downs of housing real estate, Nam Long has begun to invest in working offices, hotels, and trade center in 2006. Up to now, Nam Long Corporation continues to implement major projects such as project

of office for lease in the trade center of District 7, or Ho Tram resort and so on.

From 2008 to 2010, the ASPL Fund (under Ireka Corporation - a top real estate developing corporation in Malaysia), Nam Viet Ltd. Co., (owning 100% of capital of an English world famous financial corporation), and VAF Fund, which being controlled by Mekong Capital, invested in Nam Long Corporation and opened new business and development opportunities...



## HIGHLIGHTS IN 2011



### 15<sup>th</sup> January 2011

Nam Long launched groundbreaking ceremony for Mipha eco-tourism area which located in Thuan Phuoc ward, Xuyen Moc district, Ba Ria - Vung Tau province. The project has an area of 168,833m<sup>2</sup> stretching along Ben Cat - Ho Tram beach, being the first step of Nam Long's strategy to exploit the profitable product stability, and ensure the development of the Company before any changes in the market...



### 22<sup>nd</sup> April 2011

Nam Long held the Annual General Shareholders Meeting of 2011, announcing transparently the results of business operations such as: turn-over of 2010 reached 840 billion Vietnam dong, increasing 34% in comparison to 2009; profit before tax was 246 billion VND, increase of 8% in comparison to the year 2009, basic profit per share reached 4688 billion VND. At the same time, the Board of Directors of Nam Long Corporation also submitted reports to the General Shareholders Meeting of activity regarding the implementation of key projects such as EHOME product chain project, Waterpoint project of 384 hectares in Long An ... Especially, in 2010, Nam Long succeeded in inviting strategic investors: Vietnam Azela Fund (VAF) is managed by Mekong Capital Group.



### 8<sup>th</sup> May 2011

Nam Long Corporation officially started the construction of Nam Long high quality primary school in Nam Long Trade - service Center - Tan Thuan Dong Ward, District 7. With a population of around 300,000 people and only about 14 primary schools, District 7 received the event of Nam Long as one of the active project for social community in the area which aligned to the development of local government.



### 22<sup>nd</sup> May 2011

Nam Long Corporation organized the meeting titled "Investment solutions for market nowadays" in Nam Long Trade - Service Center - Tan Thuan Dong Ward, District 7. The meeting specified issues which are being concerned such as opportunities of investment in special economic conditions, profit-making activities and investment performance protection, how to make a happy and wealthy life ... This was the initial meeting to develop organization of the meaningful workshop in future and bring the knowledge and useful information for customers, partners and investors of Nam Long.



### 28<sup>th</sup> May 2011

Nam Long Corporation officially started the project of the urban area Nam Long - Vam Co Dong in Ben Luc district, Long An province with an area of 355 ha scale. This urban area project is designed by the reputable and well known company, Conybeare Morrison International CM + of Australia, and being planned as a separate city with complete functional areas developed in 4 phases. At the present, Nam Long is conducting phase 1, simultaneously appealing for investment and cooperation of the domestic and foreign investors.



### 01<sup>st</sup> June 2011

Nam Long held the festival called "Heaven of Children" for the children living in Nam Long's projects area. This festival has attracted thousands of children and parents excitedly to participate in activities. This was one of the practical customer care activities of Nam Long Corporation, helping to create humanity cultural living environment for the community in residential area constructed and managed by Nam Long Corporation.



### 02<sup>nd</sup> September 2011

Nam Long was rewarded with Vietnam Gold Star Award - top award of Vietnam which has been brought into the list of programs to improve the progress of national main trade. The award was as a mirror reflecting honestly the business operation, work performance, prestige, quality of companies and enterprises, confirming its position in the fierce, and challenging business environment.



### 22<sup>nd</sup> October 2011

Nam Long opened Nam Khang Affair, IN Ben Luc District, Long An Province. This was a product of Nam Khang Company - a member of the Nam Long Corporation, and the product in the development strategy of the satellite facilities around Nam Long - Vam Co Dong urban area project with and area of 355 hectares. This project was the first interchange at the Saigon - Trung Luong Highway to Ben Luc District, located in the correction plan proposals including a full range of administrative area, markets, versatile, kindergartens, primary schools, green parks, sports club along the ground for goods, dedicated parking and so forth. This was a market place in accordance with modern standards, providing expertise service for not only industrial project, the neighborhood, but also for the province, forming the connection of services - trade between Long An Province with other provinces of the country.



### 12<sup>th</sup> November 2011

Nam Long Corporation associated with Koreans Association to hold the concert "Christmas Music Night 2011" in HCM City in Nam Long Trade - service Center - Tan Thuan Dong Ward, District 7. The concerts of international stature, held at no charge to give people moments of entertainment with high quality. It was also one of the activities providing a civilized living environment for social community of Nam Long.



### 03<sup>rd</sup> December 2011

Nam Long Corporation organized a golf tournament titled "Nam Long Friendship Annual Golf Tournament" to raise funds and offer scholarships for poor students who had good study result, in the Vietnam National University Block. This Golf Tournament was successfully launched and raised 400 million VND for scholarships for following universities: Economics, Technology, Architecture and Social Sciences and Humanities universities.



### 18<sup>th</sup> December 2011

Nam Long Corporation was rewarded with "Vietnam Prestige - Quality Brand" or "Trusted Brand" by the Ministry of Industry and Trade. Nam Long had continuingly achieved this award from 2006 up to now.



## THE ACHIEVEMENTS

- Certificate of Merit awarded by the National Committee on International Economic Cooperation awarded for outstanding achievements in construction and brand development and participation in international economic integration.
- Letter of commendation of the Minister of Construction - Vietbuild in 2002.
- Certificate of Merit of the People's Committee of Ho Chi Minh City on the completion of a mission in 2002.
- Certificate of Merit of the Vietnam Fatherland Front Committee of Ho Chi Minh City on proactive propaganda and support the flood victims in 2002.
- Certificate of Certificate of Merit of the People's Committee of Tan Binh district in 2002 for the good business operation and performance, and favor reward.
- Award of BVOM members at trade fairs Vietbuild 2003.
- Certificate of Merit of the People's Committee of Ho Chi Minh City awarded General Director Nguyen Xuan Quang for achievements in the management and operating businesses in an effective and positive contribution in the construction and development in 2004.
- Certificate of "Leading Brand" at the international fair VtopBuild 2005.
- Certificate of Merit of the People's Committee of Can Tho city for outperforming the outstanding tasks and exceeded the planned targets in 2005.
- Certificate of Certificate of Merit of the People's Committee of District 7 on the achievements of cooperation to the work of poverty reduction in 2006.
- Gold Cup Vietbuild in 2005, 2006, 2007, 2008, and 2010.
- Gold Cup VietReal 2006, 2007.
- Certificate "Vietnam prestige and quality Business Brand" or "Trusted Brand" from 2006 to 2011 by the Ministry of Trade.
- Certificate of Certificate of Merit of the People's Committee of Tan Binh District on the implementation of the movement "favor reward" for many years.
- Gold Cup Integration WTO Brand in 2008.
- Award "Stability Business Brand" by the Ministry of Industry and Trade in 2009.
- Award "Enterprise for the Community" in 2009.
- Award "Excellent Brand - Enterprise" in 2009.
- Award "Real Estate Enterprise in 2009" awarded by the Ho Chi Minh City Real Estate Association
- Award "Stars of Real Estate Enterprise in 2009" for the leadership awarded by the Ho Chi Minh City Real Estate Association.
- Award "Outstanding products for average and stable income earners in 2009" awarded by the Real Estate Association of Ho Chi Minh City
- Award of Products branded "Where I want to live" by the readers of Housing and Land magazine in 2009.
- Vietnam Gold Star Award in 2007, 2009, and 2010.
- Certificate of Merit of the Chairman of Ho Chi Min City People's Committee awarded "The Company has many achievements in the organization, building up, and contribution to the Association of Real Estate, contributing actively developing real estate market of the town / city in the first tenure (2005-2010) "
- Vietnam Gold Star Award in 2007, 2009, 2010, and 2011





## DEVELOPMENT ORIENTATION



### I. Development potential

#### 1. The pioneer to develop urban area

- Ability to deploy the full chain urban development from primitive to completion of construction.
- Have 18 year of a firm experience in the business sector with brand awareness and reputation.

#### 2. Capacity to develop land fund

At the moment, Nam Long owns land fund covering an area of 567 hectares which are advantageously located along the highway and national infrastructure development, and located in the area urban development-ori-

ented of the state. This is a potential offering a great opportunity for development that not all of real estate companies always can catch.

#### 3. Diversified product portfolio

Besides the land fund, a portfolio of diverse products that Nam Long has accumulated and developed during 18 years of operation experience. As of from the establishment date until now, Nam Long Corporation has always focused to renovate and diversify portfolio of products. Starting from the sale of subdivision in the late of the 90s, at the present, Nam Long has created this impression brand with a range of outstand-

ing projects such as EHOME product lines, Thao Nguyen Saigon villas, An Hoa apartments, Nam Thong trade center, Nam Phu villas and many future business projects, etc..

#### 4. Experience, qualified management team

- Working closely together over 10 years, consistent with the future orientation of development and build up the leading position of Nam Long Corporation in the market.
- There are extensive networks with local authorities, the government offices, financial institutions key partners and professional landowners.

Nam Long is currently attracting attention of **domestic and foreign investors**

#### 5. Global Standard Management Company

Maintaining standards in the management and based on the strong support from strategic partners for leading and managing.

#### 6. Integrated, throughout business model

Business model built along with the value chain of activities of real estate development allows Nam Long actively deploy its orientation of the developments.

#### 7. The intrinsic value

With the ability to deploy, develop urban areas from primary to completion, ability to develop good land, a abundant, experience and qualified human resources, and integrated, throughout business model, Nam Long is now very attractive to the attention of the domestic and foreign investors. In 2008 - 2009 each of investment fund such as ASPL of Ireka leading Malaysian Real Estate Group, Nam Vietnam Ltd (100% owned by a leading U.S financial group) and VAF fund of Mekong Capital Group has gradually invested in Nam Long and opened the great new business opportunities for Nam Long business development.



### II. Oriented development

#### 1. About the project and product

Nam Long will continue to focus array developed three main businesses:

- Investing in land development and infrastructure for urban area: This is the traditional strength of Nam Long. Nam Long will continue to complete the development of the new land in new urban areas for future development in 10 - 15 years more.

- Investing in housing development: in this activity, Nam Long will focus on replicating the success of the program EHOME apartments to serve a number of populations in the area who have average and stable income. However, the exploitation of product line of luxury real estate housing through the prestigious international joint venture partners can be considered as a chance.

- Investing and developing working office, apartment and tourist services: At present, Nam Long although do not contribute much to sales revenues and profits, the improvement of investment activity in this field in short term will create added value for urban area projects, and in the long term it will be a source of accumu-

lated assets and creating the stable income for Nam Long Corporation.

#### 2. Human resources

- The success of the model business in Nam Long is significantly placed on the foundation of cultural knowledge and capacity, professional of the management team and skilled experts. Therefore, the enhancement of capacity of the workforce in the company is a key and regularity to meet development demand of the Company.

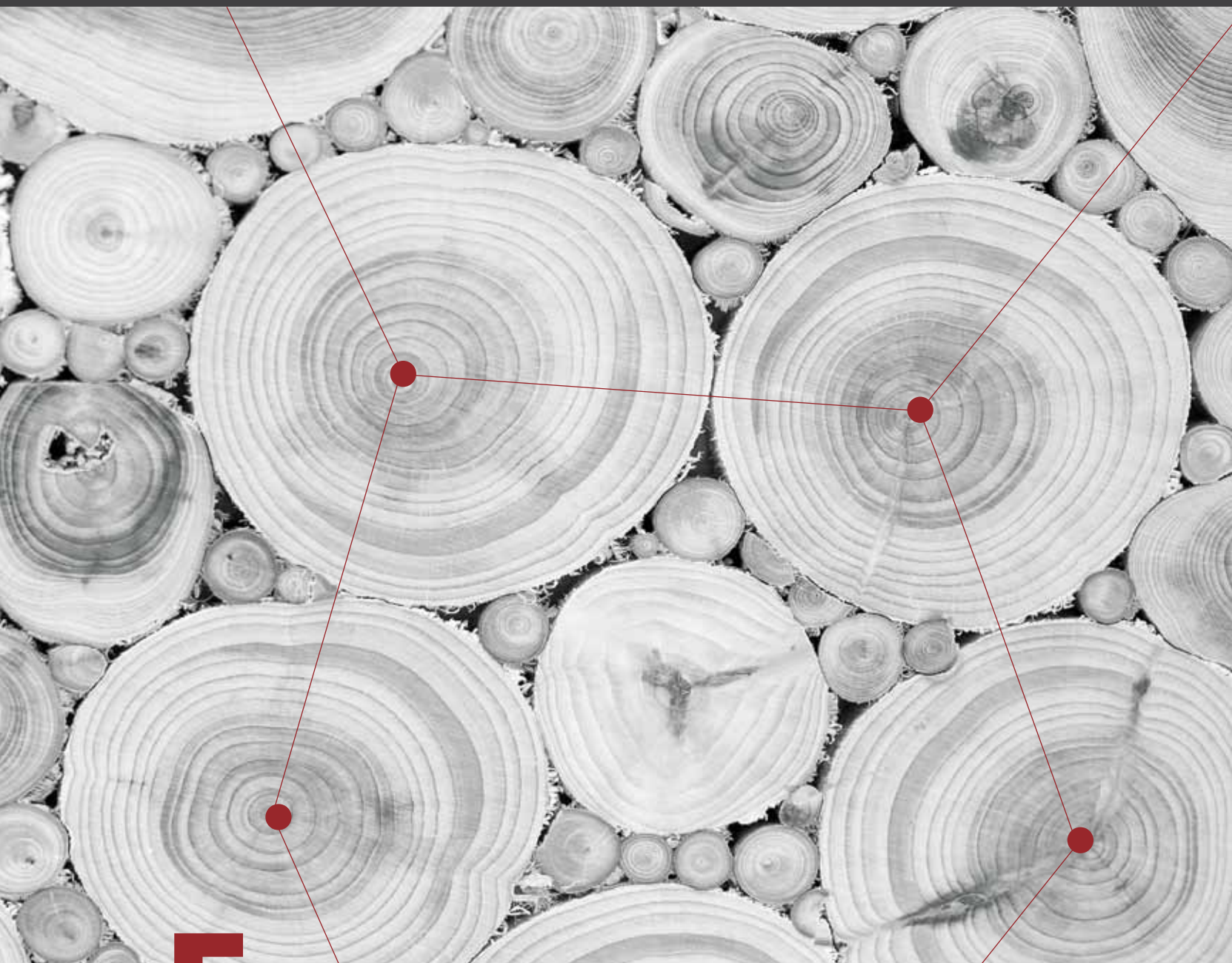
- Nam Long actively search, innovate, and try several solutions for personnel management in order to attract talent workers, develop employees, and motivate the whole company to move forward.

#### 3. Towards working cooperation

Nam Long continues to promote tripod strategy for the sustainable development by improving partnerships with:

- The international financial institutions that have potential and experience in funding
- The real estate developers that have experience in development of large scale projects.





**COOPERATING AND  
DEVELOPING TOGETHER**

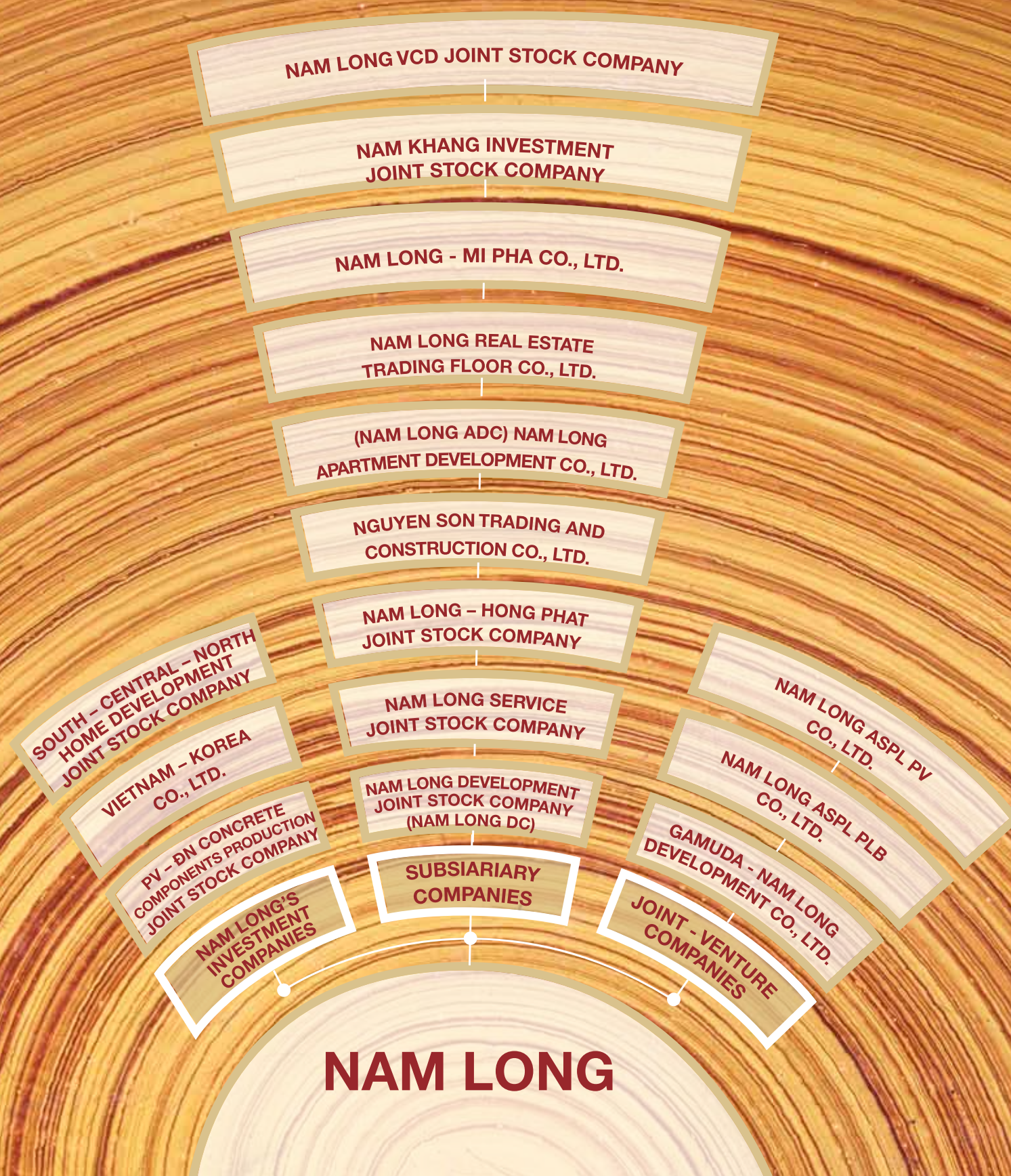
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## OVERVIEW ABOUT NAM LONG INVESTMENT CORPORATION

Corporation organizational structure  
Introduction about member companies



## OVERVIEW ABOUT NAM LONG INVESTMENT CORPORATION



NAME OF COMPANY	BUSINESS LINES	CAPITAL CONTRIBUTION PERCENTAGE ( & )
<b>SUBSIDIARIES</b>		
Nam Long Development Joint Stock Company (Nam Long DC)	Real estate business operations, real estate management service, and restaurants	51%
Nam Long – Hong Phat Joint Stock Company	Service, installation and construction	71%
Nam Long Service Joint Stock Company	Housing business operations, civil construction, road and bridge industry	75%
Nguyen Son Trading and Construction Co., Ltd.	Housing business operations, civil construction, road and bridge industry	72%
(Nam Long ADC) Nam Long Apartment Development Co., Ltd.	Real estate business operations, real estate management service, and restaurants	56%
Nam Long Real Estate Trading Floor Co., Ltd.	Real estate business operations, real estate management service	70%
Nam Long - Mi pha Co., Ltd.	Restaurants, hotels, construction, tourism residential housing, amusement places, real estate business operations.	60%
Nam Khang Investment Joint Stock Company	Civil construction, industrial construction; real estate business operations.	55%
Nam Long VCD Joint Stock Company	Investment and construction of new urban area	89%
<b>JOINT - VENTURE COMPANIES</b>		
Gamuda - Nam Long Development Co., Ltd.	Villa investment and development for lease and sales	30%
Nam Long ASPL PV Co., Ltd.	Real estate business operations	20%
Nam Long ASPL PLB Co., Ltd.	Real estate business operations	45%
<b>NAM LONG'S INVESTMENT COMPANIES</b>		
South – Central – North Home Development Joint Stock Company		10%
Vietnam – Korea Co., Ltd.		25%
PV – DN Concrete Components Production Joint Stock Company		4%



## INTRODUCTION ABOUT MEMBER COMPANIES



### Subsidiaries

#### Nam Long Development Joint Stock Company (Nam Long DC)

Headquarters: Nam Long Capital Tower - 06 Nguyen Khac Vien,

District 7 - Ho Chi Minh City

Charter Capital: 84,589,000,000 VND

Nam Long Development Joint Stock Co. (Nam Long DC) was established in 2007 with the aim at developing, managing and exploiting products of the commercial real estate of Nam Long Group. Nam Long DC focused on the products such as office buildings, service apartments and villas for rent, hotels, resorts, schools, retail space, and

logistics warehouse ... At the moment, the Company operates, manage the buildings named Nam Long Capital Tower, which has been put into use for operation in 2009.

#### Nam Long Services Joint Stock Company

Headquarters: 73-75 Tran Trong Cung, Tan Thuan Dong - District 7, Ho Chi Minh City

Charter Capital: 2,000,000,000 VND

Nam Long Services Joint Stock Company was established in 2005 specialized in after-sales operation and provide urban services, maintain closed cycle of real estate development products, contributing group value to Nam Long Corporation.

At the present, Nam Long Services JSC is managing services for residential areas in and outside Nam Long Group such as sanitation services, taking up nursery plants, parking, security, electricity and water issues, etc to provide service for people.

#### Nam Long - Hong Phat Joint Stock Company

Office: A201, No. 10, Nam Long Residential, Hung Thanh ward, Cai Rang District, Can Tho City

Charter Capital: 60 billion VND

Nam Long - Hong Phat JSC was founded in 2007 with purpose of developing land fund in the Mekong Delta area. At the present, the company is implementing project plan to conduct Nam Long Hong Phat residential area with 14 hectares in Hung Thanh District, Can Tho city.

#### Nguyen Son Trading and Construction Co., Ltd.

Office: Room 805, Citilight Tower, No. 45 Vo Thi Sau, District 1, Ho Chi Minh City

Charter Capital: 135 billion VND

Nguyen Son Company was established in 1999, with purpose of developing land fund in the new urban area of South of Saigon, which being rated as one of the central urban in the future. At the present, the company is focused on implementing Ngoc Cung project with an area of 37.4 hectares in the alongside of Nguyen Van Linh strategic avenue.

#### Nam Long Apartment Development Joint Stock Company (Nam Long ADC)

Head Office: Level 9, Nam Long Capital Tower - 06 Nguyen Khac Vien, District 7, Ho Chi Minh City

Charter Capital: 300 billion VND

Nam Long Apartment Development Joint Stock Company (Nam Long ADC) was established in 2007, specializing in the development EHOME products for average and stable income earners.

In 2008, after established only, EHOME product line of Nam Long ADC has become the model development trends of new products in the market of the real estate in Vietnam.

The trust, appreciation and support of customers and

social community will be a powerful lever for widen this product of Nam Long and helping the company to collapse its firm stance and stability in the real estate market.

#### Nam Long Real Estate Trading Floor Co., Ltd.

Headquarters: 73 - 75, Tran Trong Cung, Tan Thuan Dong, District 7, Ho Chi Minh City.

Charter capital: 6,000,000,000 VND

Nam Long Real Estate Trading Floor Co., Ltd. was established in 2009 with the purpose of distribution of Nam Long's Group to market openly and transparently.

Nam Long Trading Floor has full of business lines of a professional real estate trading floor such as: sale transaction, transfer, renting, leasing, brokerage, pricing, advertising, auctions and real estate consultant, etc, ensure to support customer on transactions in a most convenience, safety and efficiency manner through the modern equipment with staff enthusiasm and professionalism.

#### Nam Long - Mipha Co., Ltd.

Headquarters: Ho Tram Hamlet - Phuoc Thuan Commune - Xuyen Moc district, Ba Ria - Vung Tau

Charter Capital: 36 billion VND

Nam Long - Mipha Ltd. Co. specializes in project of development of real estate for tourism and resort.

At the present, the company is implementing construction resort area "Mipha - Ho Tram" with an area of 17 ha, located along the beach of the resorts of Vung Tau tourist city.

#### Nam Khang Investment Joint Stock Company

Office: 147-149 Tran Trong Cung, Tan Thuan Dong, District 7, Ho Chi Minh City

Charter Capital: 116 billion VND

Nam Khang Investment Joint Stock Company is one of the key members of the Group Nam Long, generating the development of townhouses projects, villas, works construction, building infrastructure to provide the best quality product for Nam Long Group.

Founded in 1992, with seasoned experience, Nam Khang Investment Joint Stock Company successfully confirmed its name in the industrial construction of Vietnam and gained further success with motto of "Reliability - Quality - and Sustainable Development"





**Nam Long VCD Joint Stock Company**

Office: 24 Nguyen Huu Tho, Block 3, Town Ben Luc, Ben Luc District, Long An Province.

Charter Capital: 650 billion VND

Nam Long VCD Joint Stock Company was established to focus on developing a 355 hectare new Waterpoint urban area in the province of Long An. This is the largest project scale in the development of Nam Long. Located along the romantic Vam Co Dong river, and about 45 minute drive from the center of Ho Chi Minh City, Waterpoint Urban area will make a lifestyle with a unique green nature riverside landscape in an healthy environment, full of sun and wind.

**Joint Venture companies**

**Gamuda - Nam Long Joint Venture Company**

Headquarters: Capital Tower, No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, Ho Chi Minh City

Charter Capital: 142,809,333,333 VND

Gamuda is Malaysia’s leading corporations in real estate. Associating with Gamuda has helped Nam Long Group to improve operating experience and management and simultaneously confirming its position on Real Estate market in Vietnam.

This joint venture company has successfully implemented a project named Nam Phu villas, Tan Thuan Dong ward, District 7 in 2008 to set the stage for the cooperation and greater alliance afterward between the two companies.

**Nam Long ASPL PV Co., Ltd.**

Office: Room no. 703, Fideco Tower, 81-85 Ham Nghi, District 1, Ho Chi Minh City

Charter Capital: 213.6 billion VND

ASPL is a real estate investment fund of Ireka Group, the biggest group of Malaysia in the field of real estate. The cooperation with ASPL has helped Nam Long operating experience and management and simultaneously confirming its position on Real Estate market in Vietnam.

This joint venture company is implementing apartment project in Tan Thuan Dong ward, District 7, Ho Chi Minh City

**Nam Long ASPL PLB Co., Ltd.**

Office: 10th Floor, Capital Tower, No. 6 Nguyen Khac Vien, Tan Phu Ward, District 7, Ho Chi Minh City

Charter Capital: 299, 520, 000, 000 VND

This joint venture was established between ASPL and Nam Long to invest in business operation of 37 villas and apartments in area of Phuoc Long B Ward, District 9, Ho Chi Minh City.

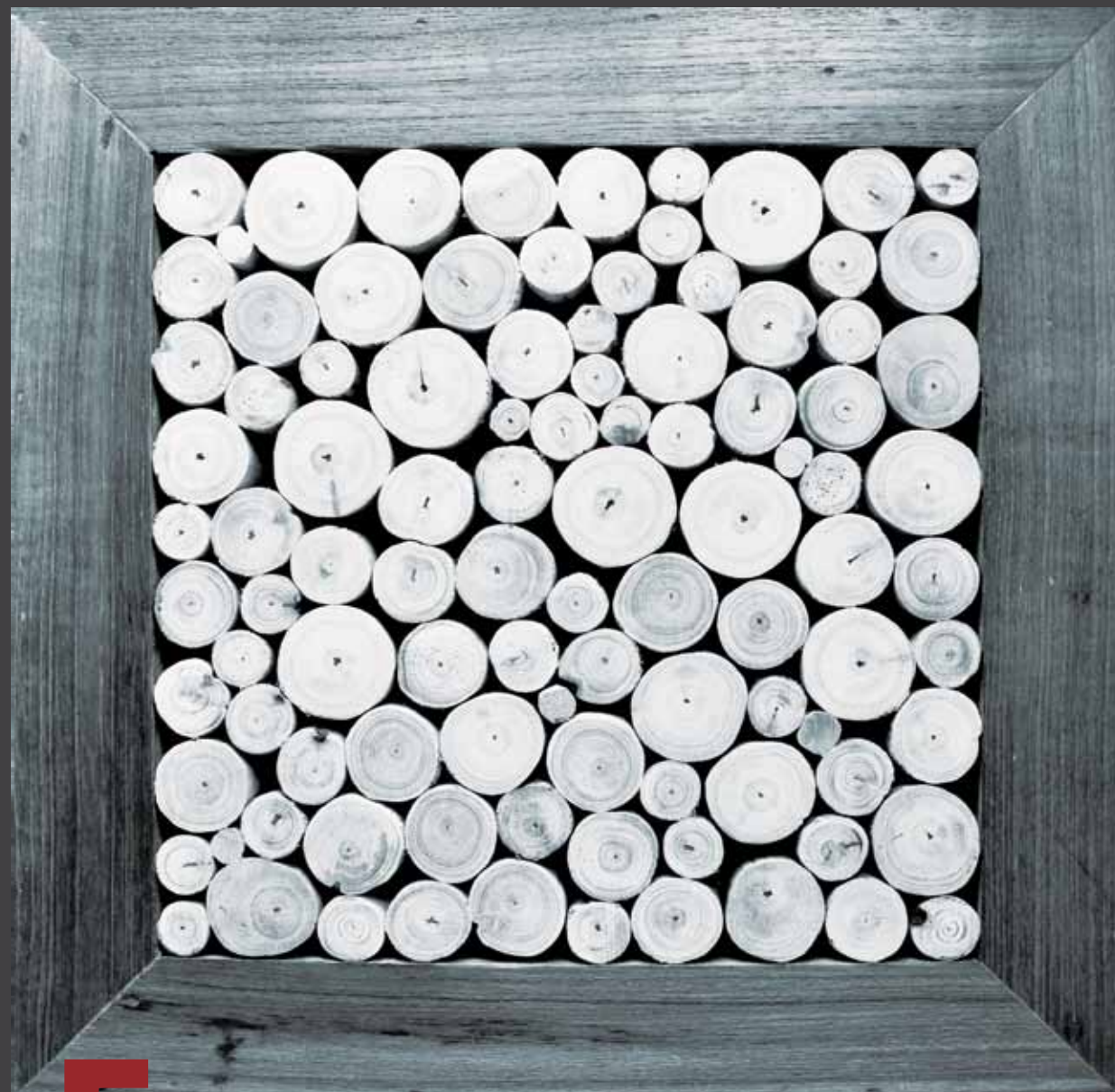
**COOPERATIVE INVESTMENT PROJECTS**

NAME OF PROJECT	PARTNERS	PROJECT LOCATION	NAM LONG OWNED (%)
Phu Huu Project	Nam Phan Investment Joint Stock Company	Phu Huu ward, District 9 , Ho Chi Minh City	40%
9B7 South of Saigon project	21th Century Joint Stock Company	Binh Hung ward, Binh Chanh district, Ho Chi Minh City	45%

**FINANCIAL INVESTMENT**

NAME OF COMPANY	NAM LONG OWNED (%)
PV – DN Concrete Components Production Joint Stock Company	10%
Vietnam – Korea Co., Ltd.	25%
South – Central – North Home Development Joint Stock Company	4%





## FLEXIBLE STRATEGY IN CHALLENGING PERIOD...

# 3

## REPORT FROM BOARD OF DIRECTORS AND THE CHAIRMAN

Typical characters of the year  
Report of financial status  
Income Statement  
Development plan for 2012



# TYPICAL CHARACTERS OF THE YEAR

## Overview about business operations

Report of Business operations is as follows:

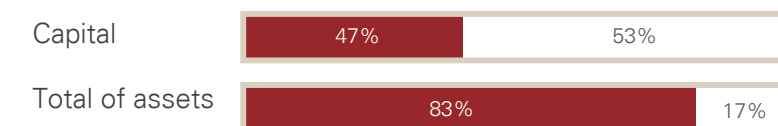
Million VND	2011	2010	Increase/decrease
Assets allocation			
Short term assets	2.403.712	1.925.606	25%
Long - term assets	490.994	544.723	-10%
<b>Total of assets</b>	<b>2.894.706</b>	<b>2.470.329</b>	<b>17%</b>
Payables	1.382.189	1.100.939	26%
Interest and profit of minority shareholders	282.902	179.598	58%
Owner's equity	1.229.615	1.189.792	3%
<b>Total of capital</b>	<b>2.894.706</b>	<b>2.470.329</b>	<b>17%</b>
Operation performance			
Net profit	734.004	839.784	-13%
Gross profit	274.563	349.429	-21%
<b>Rate of gross profit</b>	<b>37%</b>	<b>42%</b>	
Profit before tax	193.280	245.916	-21%
Profit after tax	137.172	181.719	-25%
Net profit for parent company's shareholders	107.202	186.633	-43%
<b>Rate of net profit</b>	<b>15%</b>	<b>22%</b>	
Income / Shares (VND)	1.772	3.125	-43%

\* Owner's equity including interests and profits of minority share – holders  
Source: Nam Long Corporation

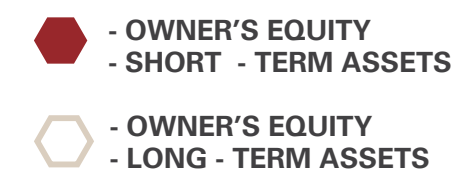
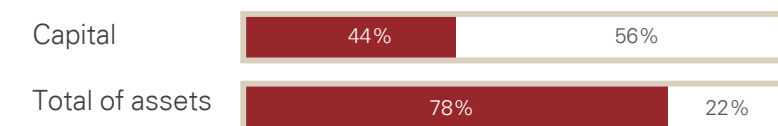
YEAR-END  
TOTAL ASSETS IN  
2011 REACH  
**2.895**  
BILLION VND

INCREASE  
**17%**  
COMPARED  
TO 2010

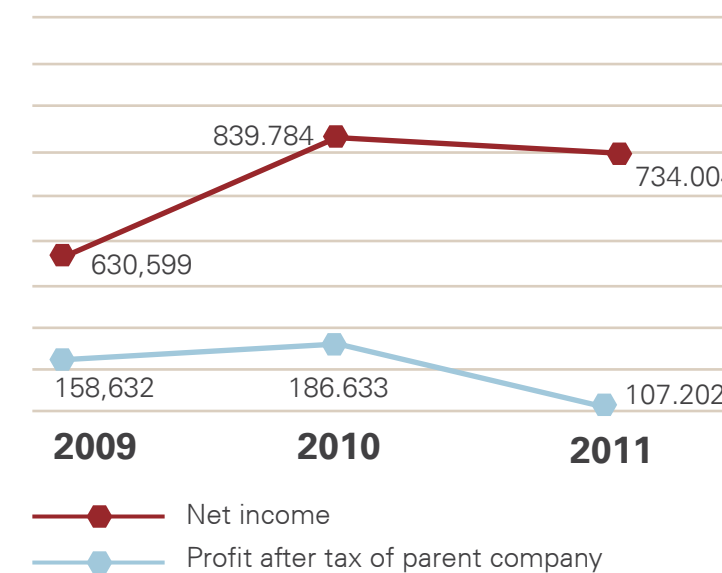
## Asset allocation in 2011



## Asset allocation in 2010



## Revenue and Profit



- In 2011, total assets of the Company increased 17% compared with 2010, mainly by increasing the value of inventory from the beginning more investment in key projects. Companies (particularly new urban projects in Ben Luc District, Long An province).

- Shareholders' equity does not change significantly, only a slight increase of 3% compared to 2010.

- Net income in 2011 decreased by 13% compared with 2010 net profit of parent company's shareholders plummeted 43%. The However, in most business context of real estate industry in Vietnam was lost hole and fall into financial difficulties, the Nam Long achieve and maintain profitability good liquidity in 2011 is a significant achievement and is the result of the outstanding efforts of the Board Board, the Executive Board and all officers, employees in the company.

- The average income per share reached 1772, decrease about 43% from a year 2010 (in correspondence with the reduced profit net mentioned above).



## FINANCIAL STATEMENT

ITEMS	2008	2009	2010	2011
<b>1. Solvency</b>				
Short-term ratio (times)	1,41	1,55	1,89	2,03
Quick ratio (times)	0,30	0,38	0,51	0,29
<b>2. Capital allocation</b>				
Liabilities / Total Liabilities	0,59	0,53	0,44	0,47
Liabilities / Owner's Equity	1,63	1,12	0,90	1,02
Current assets / Total Assets	0,77	0,76	0,78	0,83
<b>3. Operational capacity</b>				
Inventory turnover	0,18	0,28	0,36	0,26
Turnover of total assets	0,20	0,31	0,35	0,27
Turnover of fixed assets	0,91	1,32	1,54	1,42
Turnover mobilization capital	0,26	0,40	0,45	0,34
<b>4. Profitability</b>				
Ratio of profit after tax / DTT	32,02%	25,16%	22,22%	14,61%
ROE	18,37%	17,96%	15,69%	8,72%
Ratio of profit after tax / capital	50,33%	62,19%	45,47%	17,41%
ROA	6,55%	6,81%	7,55%	3,70%

### Notes to financial statements:

- The Company's liquidity has been significantly improved over the years recently. Short term liability rate in 2011 was 2.03, increase 0.14 times compared to 2010, hence, the Company is proved its capacity to make payment for current liabilities. However, most of current assets are inventory of uncompleted projects increasing compared to 2010 due to the Company is continuing investment in projects key projects such as Long An Project, Binh Duong project, Binh Tan EHOME project, Nguyen Son and so forth, projects for discussion, transfer or investment for

development of component projects in the next year, leading the index ratio reached 0.29 in 2011, decrease slightly from 0.51 in 2010.

- The Company's debt allocation was reasonable; total debt remained at 47% of the total capital, a slight increase over 2010 through bond issuance together with warrants in middle of 2011.

- Current assets accounted for most of total assets, which are mainly inventories (the value of company implementing projects, including Long An Project, Binh Duong project, Binh Tan EHOME project, Nguyen Son and so forth)

- The profitability in 2011 decreased significantly compared with 2010. This was the result of the negative impact to the general economy financial and credit policies towards real estate sector in 2011 and still predicted to continue in 2012. ROE decreased from 15.69% in 2010 decrease to 8.72% in 2011 due to the effect of issuing bonus shares by the ratio of 2:1 to increase capital; whereas, ROA decreased from 7.55% to 3.7%, reflecting total assets increased due to the increase of value of works constructions.

## CHARTER CAPITAL IN 2011 REACHED 615.719.470.000



### Information on shareholder capital changes:

In 2011, the Company's charter capital increased from 410,479,810,000 VND to 615,719,470, 000 VND and inform by issuing bonus shares to existing shareholders in proportion 2:1.

### Information on the Company's dividend:

Although 2011 has many negative effects of fiscal policy, credit for real estate sector, the maintaining company profits and dividends at a reasonable level for the shareholders, specifically dividend reached 8% per year for 4 consecutive years from 2008 to 2011.



INCOME STATEMENTS

Million VND			
ITEMS	2009	2010	2011
Net revenue	630.599	839.784	734.004
EBITDA	225.974	277.787	228.224
EBIT	233.428	262.958	215.432
Profit before tax	226.872	245.916	193.280
Profit after tax	189.442	181.719	137.172
Profit after tax of Holding Company	158.632	186.633	107.202
EPS	4.170	3.125	1.772
Revenue growth	71%	33%	-13%
After-tax profit growth	35%	18%	-43%
Gross Profit Margin	48%	42%	37%
Net Profit Margin	25%	22%	15%

(\*) Translation adjustment to reflect separation of shares

Revenue structure

PRODUCT	TOTAL REVENUE		
	2009	2010	2011
Villas	228.066	79.170	100.265
Tenement buildings	316.339	423.991	324.822
Foundation soil & project	38.790	302.158	111.837
Gardenhouse	47.404	16.531	67.515
Real estate management and development	—	—	62.929
Others	—	17.934	66.636
Net revenue	630.599	839.784	734.004

NET REVENUE IN 2011  
**734.004**  
MILLION VND

Analysis of operation performance

- Revenue and profit in 2011 reduced 13% and 43% against 2010, respectively. The Gross Profit Margin in 2011 was 37%, decrease of 42% against 2010 due to revenue structure transition between companies (and corresponding products) in the Group. In 2011, revenue density of Holding Company (including products with high Gross Profit Margin: 44% and 53% in 2010, and 2011, respectively) reduced from 87% to 43% of total revenue in the entire Corporation. Meanwhile, revenue density of Nam Long ADC with EHome tenement buildings had low Gross Profit Margin (27%) increased from 9% in 2010 to 41% of total revenue of the Corporation in 2011. Net Profit Margin in 2011 obtained 15%, light deduction against 22% in 2010 due to profit obtained from capital contribution by land use rights into ASPL PLB - Nam Long to develop Villa project in Phuoc

Long B Ward, District 9, Ho Chi Minh City.

- In real estates, revenue structure of Nam Long was characterized by relatively significant changes due to revenue of fiscal year including revenue from products sold in the year and revenue recorded from products sold in previous years.

- Generally, tenement-building products, especial EHome, always occupied the key role in revenue structure with 324,822 million VND, making up over 44% of total revenue in 2011. This revealed that the tenement building products in general and EHome items in particular were widely selected by many customers.

- Nam Long's strength on capacity and experience on clean land fund continued developing. Although reduction of 50% was recorded in

ground land and project land segments compared with 2010 due to negative impacts on policies of real estates in 2011, the available land fund is the opportunity for Nam Long to develop real estate market to be recovered in 2012 and the next years. Nam Long is possessing land use rights for nearly 600 hectares in strategic positions along the national infrastructure development hubs and key economic zones as oriented and planned by the State.

- The series of villa and gardenhouse were recorded with significant growth in 2011, 75% higher than that in 2010 from projects launched in previous years. Nam Phu luxury villa and Nam Thong commercial gardenhouse in Tan Thuan Dong residential area, District 7, Ho Chi Minh City were the most outstanding projects contributed to the Company's revenue success in 2011.





## DEVELOPMENT PLAN IN 2012

2012 is determined as an extremely difficult year of Vietnam’s real estate industry. It is characterized by quiet market and some frozen segments (especially luxury apartments). Credit source for real estate is narrowed down and closely controlled, laying burden on shoulders of real estate enterprises and buyers.

In such context, clear orientations have been determined in 2012 as follows:

- To review, select and re-locate preferential sequences of projects in the most suitable way with a new market context.
- To strengthen transfer or investment cooperation for projects available for legal and infrastructure conditions.
- To give priority to feasible projects which revenue and cash flow can be offered to the Company right in 2012 or 2013.
- To sharply cut down or suspend investment into

disqualified projects in terms of legal foundation and infrastructure or those, which may be available but partners are difficultly found in 2012 or 2013.

- To make great effort to search for strategic investors and financial sponsor (s) for Nam Long VCD subsidiary to continue developing the Project on New Urban Area in Ben Luc District, Long An Province.
- To restructure liabilities to replace short-term loans with high interest by medium and long-term funds with low interest rate, especially USD funds with interest of less than 10%/year.
- To mobilize investment capital in the Holding Company and project companies, satisfying development demand of projects under the Holding Company and project companies, minimizing financial risks and adding value of the Corporation and benefits of available shareholders; To comply with diligence orientations and viewpoints as mentioned above.

Revenue and profit are sketched in the Company’s business plan in 2012 as follows:

Unit: Million VND	Plan in 2012	Practice in 2011	Growth
Net revenue	676.414	734.004	-8%
Profit before tax	93.334	193.280	-52%
Profit after tax	58.392	137.172	-58%
Profit after tax of Holding Company	61.023	107.202	-43%

PROFIT AFTER TAX OF SHARE-  
HOLDERS IN HOLDING COMPANY  
**107.202** MILLION VND





PROJECT	RATIO OF CAPITAL CONTRIBUTION	LAND AREA (m <sup>2</sup> )	SCALE OF PROJECT	OUTSTANDING FEATURES	PROJECT PERFORMANCE SITUATION
9B7	45%	59.125	<ul style="list-style-type: none"><li>• Medium and luxury apartments: 282</li><li>• Villas: 38</li><li>• Expected population: 1,318</li></ul>	Adjacent to strategic avenue hub Nguyen Van Linh, connecting with Nam Sai Gon Trading and Service City.	<ul style="list-style-type: none"><li>- Compensate 100% of area, land hand-over procedures are being fulfilled.</li><li>- Planning: Approved 1/500 plan</li><li>- Infrastructure: Aggrandized and partially invested in infrastructure</li></ul>
Vinh Phu – Binh Duong	60%	159.700	<ul style="list-style-type: none"><li>• 8.5 storey EHome apartments for medium and stable income persons: 3,780 apartments</li><li>• Villas and gardenhouses: 239</li><li>• Expected population: 8,755</li></ul>	Situated in the most dynamic development center of Binh Duong Province	<ul style="list-style-type: none"><li>- Compensation for 90% of area, land hand-over and obtaining Certificate of Land Use Rights for compensated land.</li><li>- Planning: Approved 1/500 plan</li><li>- Infrastructure: Basic infrastructure is invested</li><li>- Works: Low-rise buildings are being launched and high-rise building investment plan is designed</li></ul>
Can Tho 43 hectares	100%	438.000	<ul style="list-style-type: none"><li>• Garden houses: 114</li><li>• Villas: 172</li><li>• Expected population: 3,500</li></ul>	Bordering with Can Tho Bridge Traffic Hub	<ul style="list-style-type: none"><li>- Compensation for 40% of area, land hand-over procedures are being fulfilled.</li><li>- Planning: Approved 1/500 plan</li></ul>
Nam Long - Hung Thanh	100%	234.725	<ul style="list-style-type: none"><li>• Villas and garden houses: 510</li><li>• Apartments for low income persons: 4,377 m2</li><li>• Apartments: 28,272m2</li><li>• Expected population: 4,000</li></ul>	2km far from Can Tho Bridge	<ul style="list-style-type: none"><li>- Compensation for 95% of area, decision on land hand-over is released and Certificate of Land Use Rights is obtained.</li><li>- Planning: Approved 1/500 plan</li><li>- Infrastructure: Infrastructure is completely invested.</li></ul>
Nam Long - Hong Phat	70%	154.215	<ul style="list-style-type: none"><li>• Villas and garden houses: 258</li><li>• Expected population: 2,600</li></ul>	2km far from Can Tho Bridge	<ul style="list-style-type: none"><li>- Compensation for 82% of area, land hand-over procedures is being fulfilled</li><li>- Planning: Approved 1/500 plan</li></ul>
Ho Tram	60%	168.892	<ul style="list-style-type: none"><li>• Villas and bungalow: 62</li><li>• Hotels: 200 rooms</li><li>• Restaurant, spa, healthcare club</li><li>• 5 storey apartment: 200</li><li>• Expected population: 1,318</li></ul>	Green planning with highlight of landscape lake in the project	<ul style="list-style-type: none"><li>- Compensation for 100% of area, land hand-over and Certificate of Land Use Rights are obtained.</li><li>- Planning: Approved 1/500 plan.</li><li>- Infrastructure: Aggrandizement and landscape lake digging, constructing sea embankment</li></ul>

Long An 36	100%	353.451	<ul style="list-style-type: none"><li>• Villas and garden houses: 1,791</li><li>• Service and trading area: 37,830m2</li><li>• Expected population: 7,164</li></ul>	Situated on opposite of Waterpoint project through road 830 (belt road No. 4)	<ul style="list-style-type: none"><li>- Compensation for 98% of area, land hand-over and Certificate of Land Use Rights for compensated land are obtained.</li><li>- Planning: Approved 1/500 plan.</li><li>- Infrastructure: Technical infrastructure and some social infrastructure works are completed</li></ul>
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Waterpoint Urban area (Long An)	220 hectares -100.00% 127 hectares – 55.37%	3.470.000	<ul style="list-style-type: none"><li>• Complex urban area, maximizing waterway advantage</li><li>• Villas: 111 hectares</li><li>• Garden houses and apartments: 37.5 hectares</li><li>• Service and trading area: 15 hectares</li><li>• Entertainment area: 67.5 hectares</li><li>• Hi-tech area: 19 hectares</li><li>• Others: 131 hectares</li></ul>	Situated in the “double trading” gateway of HCMC and Mekong Delta provinces: the West of National Highway No. 1A and adjacent to the first path of Sai Gon – Trung Luong highway	<ul style="list-style-type: none"><li>- Compensation for 96% of 222 hectare area and 89% of 127 hectare area, decision on land hand-over and Certificate of Land Use Rights for compensated land are obtained.</li><li>- Planning: Approved 1/2000 plan.</li><li>- Infrastructure: Aggrandizement for the first phase with 100 hectare area</li></ul>
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Long Thanh My	100%	77.735	<ul style="list-style-type: none"><li>• Villas and garden houses: 115</li><li>• Luxury apartments for lease</li></ul>	Situated in the development direction of the first metro route of Vietnam – metro Ben Thanh – Suoi Tien route; Complete ecological population, closed public utilities including swimming pool, tennis field, golf field and isolated fence ensuring 24/24 security, etc	<ul style="list-style-type: none"><li>- Compensation for 100% of area, decision on land hand-over and Certificate of Land Use Rights are obtained.</li><li>- Infrastructure: Technical infrastructure and social infrastructure are completely invested.</li><li>- Sales: Buildings are built and handed over to customers and ownership is transferred to customers.</li><li>- Investment in Service Apartment area is conducted.</li></ul>
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ON-GOING PROJECTS (continued)

PROJECT	RATIO OF CAPITAL CONTRIBUTION	LAND AREA (m <sup>2</sup> )	SCALE OF PROJECT	OUTSTANDING FEATURES	PROJECT PERFORMANCE SITUATION
Ngoc Cung (Binh Chanh)	72,34%	374.000	<ul style="list-style-type: none"><li>Garden houses and villas: 400</li><li>Apartments: 4,450</li><li>Expected population: 19,500</li></ul>	Impressive planning with smooth curve river in the center of Project, adjacent to the strategic traffic hub Nguyen Van Linh, connecting with Nam Sai Gon service and trading urban area.	<ul style="list-style-type: none"><li>Compensation for 95% of area</li><li>Planning: 1/500 plan is submitted for approval.</li></ul>
Greenview	100%	11.628	<ul style="list-style-type: none"><li>14-20 storey apartments: 275</li><li>Expected population: 1,370</li></ul>	Traffic is completed thanks to completion of Phu My Bridge and Thu Thiem tunnel; situated in the planning area with relatively complete infrastructure	<ul style="list-style-type: none"><li>Compensation for 100% of area, having Certificate of Land Use Rights</li><li>Infrastructure: Completely aggrandized</li><li>Investment is being studied to be launch</li></ul>
Phu Huu	40%	169.419	<ul style="list-style-type: none"><li>EHome 8.5 storey apartments for medium and stable income persons: 605</li><li>Villas: 415</li><li>Expected population: 4,080</li></ul>	Situated along the Long Thanh – Dau Day Highway in the future; adjacent to the first metro of the city	<ul style="list-style-type: none"><li>Compensation for 100% of area</li><li>Planning: 1/500 plan is submitted for approval</li></ul>
Tien Hung	100%	63.891	<ul style="list-style-type: none"><li>EHome 9.5 storey apartment</li><li>Expected apartments: 2,175</li><li>Expected population: 4,350</li></ul>	Easily connecting with the center through East West Avenue and the first monorail in Vietnam	<ul style="list-style-type: none"><li>Having decision on land hand-over and Certificate of Land Use Rights named Nam Long</li><li>Planning: 1/500 plan is approved</li><li>Works: Procedures on EHome tenement works are being fulfilled.</li><li>Cooperation with Indochina Land to invest in the works.</li></ul>
Tan Thuan Dong (District 7)	100%	285.000	<ul style="list-style-type: none"><li>Apartments: 685</li><li>Villas and garden houses: 114</li><li>Soil foundation: 195</li></ul>	Along Phu My Bridge connecting 2 new centers of the City from District 7 to District 2, Nam Long – Tan Thuan Dong City, 4km from District 1, 1.5km far from Phu My Hung	<ul style="list-style-type: none"><li>High-rise investment cooperation is being launched.</li></ul>





**UPHOLDING THE LEADING  
STRENGTHS, STRETCHING OUT  
THE INTERNATIONAL MARKET**

# 4

**SOME  
OUTSTANDING  
PROJECTS**



## SOME OUTSTANDING PROJECTS

To focus on three main business fields which investment in land fund & urban infrastructure development is the traditional strength; Investment in house development is the significant activity striking the social community in the last year; Investment in developing office, apartments, services & tourism are is feasibly promising to offer **added value to the urban projects, acting as an asset accumulation source and stable income for Nam Long** in the coming time

- 01 – 8 projects covering 78 hectares in **HO CHI MINH CITY**
- 02 – 1 project covering 17 hectares in **VUNG TAU**
- 03 – 1 project covering 16 hectares in **BINH DUONG**
- 04 – 1 project covering 381 hectares in **LONG AN**
- 05 – 3 projects covering 72 hectares in **CAN THO**

**NAM LONG IS THE OWNER OF LAND FUND WITH TOTAL AREA OF OVER**

**567**hectares



## Projects on short term land fund development



Tien Hung - Binh Tan Project - 6 hectares



Phuong Long B Extended Project - 6 hectares



## Projects on medium term land fund development



Phu Huu Project, District 9 – 16 hectares



Project 9B7 – Nam Sai Gon



Can Tho Project – 43 hectares

## Projects on medium term land fund development



Nguyen Son Project – 37.4 hectares



Binh Duong Project – 15.9 hectares

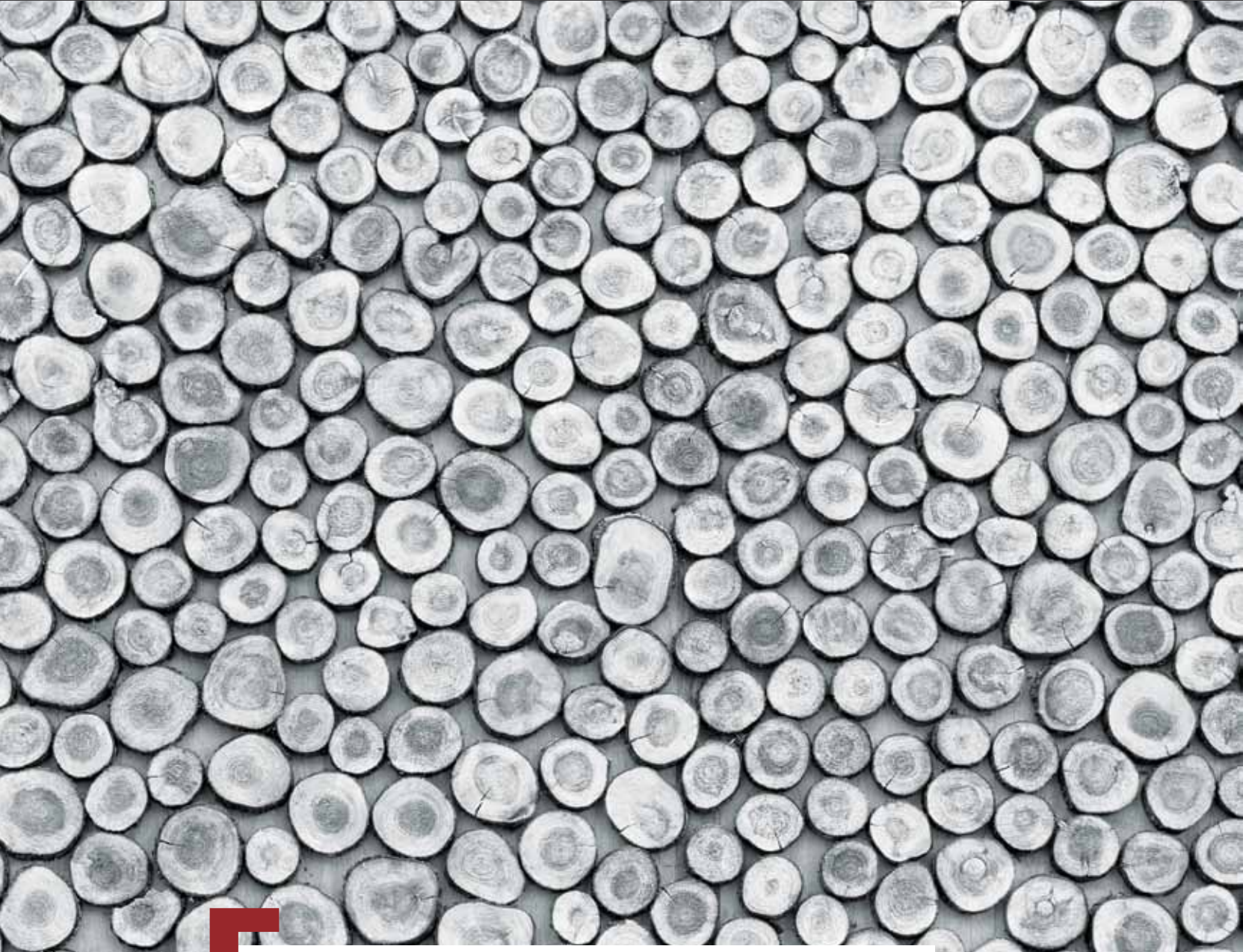


## Key projects in future



Urban Waterpoint Project – Long An – 345 hectares





## HUMAN RESOURCES INVESTMENT FOR SUSTAINABLE FUTURE

# 5

## ORGANIZATION AND HUMAN RESOURCES

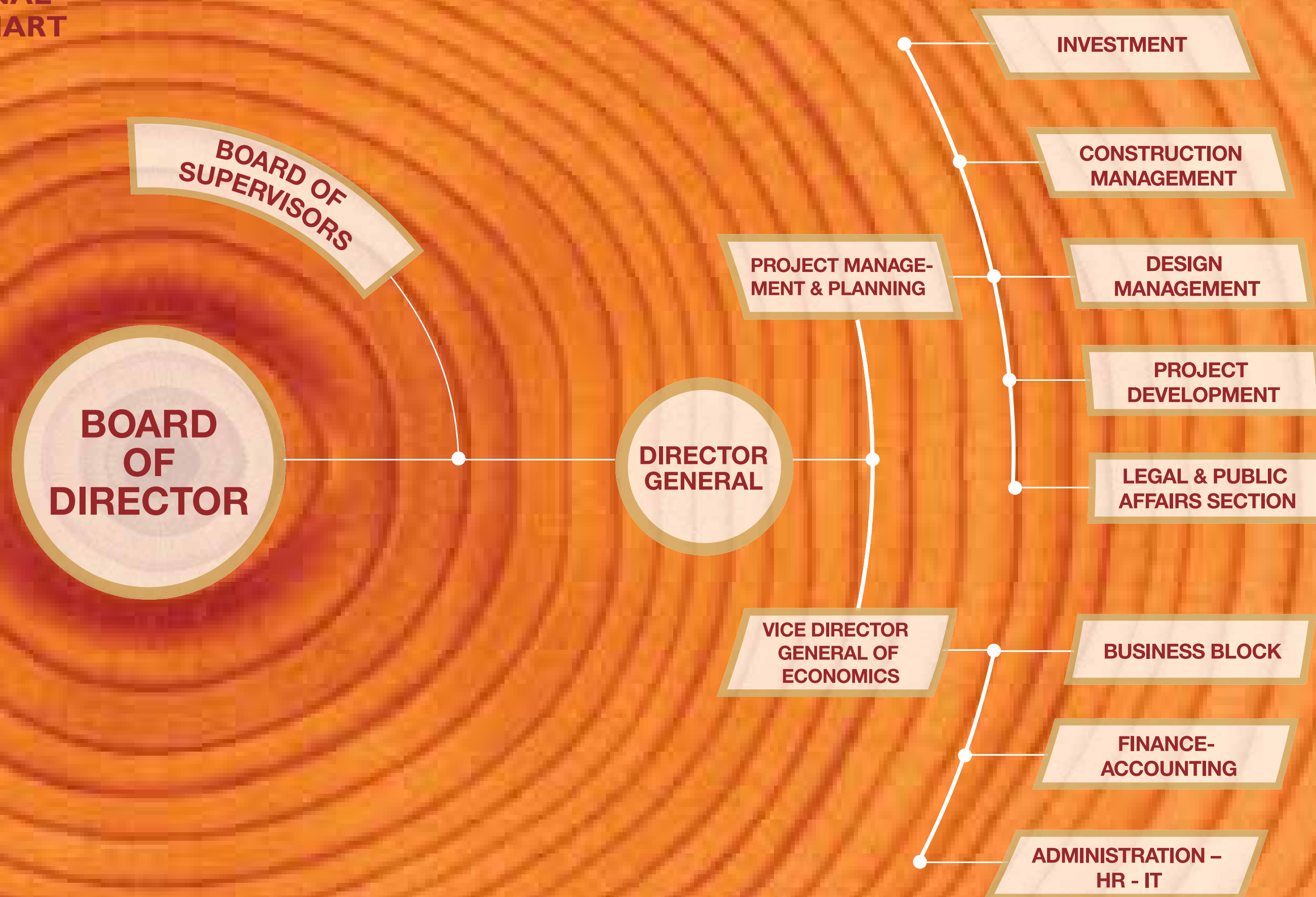
Organizational structure

Brief historical profile of members of  
Board of Directors, Board of Supervisors,  
and Board of Executives

Award and remuneration policy for  
company staffs



## ORGANIZATIONAL STRUCTURE CHART





## BOARD OF DIRECTORS



### **Mr. NGUYEN XUAN QUANG**

Chairman of Board of Directors cum  
Director General

### **Mr. TRAN THANH PHONG**

Vice Standing Chairman of Board of Directors

### **Mr. LAI VOON HON**

Member of Board of Directors

### **Mr. CAO TAN BUU**

Member of Board of Directors

### **Mr. DO NGOC MINH**

Member of Board of Directors

### **Mr. BUI DUC KHANG**

Member of Board of Directors



## BOARD OF SUPERVISORS

### **Mr. VUONG THUAN**

Head of Board of Supervisors

### **Mr. LOW HIEW BENG**

Member of Board of  
Supervisors





**Mr.  
NGUYEN XUAN QUANG**  
Director General cum  
Chairman of Board of Directors

Mr. Quang is an Architect of Planning, Design and Survey Enterprise under Ministry of Construction from 1983 to 1988. He is the founding shareholder – Chairman of Board of Directors of Nam Long Investment Joint Stock Company established in 1992. He possesses over 20 years of experience in construction and real estate, impressively imprinting with successful works and projects of the Company.

As the Chairman of Board of Directors cum Director General, he successfully orients Nam Long's development strategy to become a powerful Corporation.



**Mr.  
LUONG HOAI NAM**  
Vice Director General  
(June, 2011)

Mr. Nam graduated from University-Economic Faculty and PhD in Economics of Civil Aviation Engineering University (Riga, Latvia, former USSR). He undertook a series of positions including Director of Market Planning Committee, Director of Fleet Development, Editor-in-chief of Vietnam Airlines' Heritage Magazine, Director General of Jestar Pacific Airlines, Vice Chairman of Vietnam Tourism Association (VITA).



**Mr.  
NGUYEN MINH QUANG**  
Director of Businesses  
Development

Mr. Quang graduated from Economic University, major of Business Administration. He owns over 8 years of experience in finance industry. He has been ever responsible for the Management Information System (MIS) for Perfetti Vietnam and involving in establishing IC Investment JSC. Currently, he is the Director of Business Development in Nam Long.



**Mr.  
NGUYEN NGOC THANH**  
Director of Design  
Management

Graduated from Ho Chi Minh City University of Architecture in 1984, he possesses over 25 years of experience in design, architecture and interior as the Project Manager. He has joined Nam Long since 2001 and undertaken the position of Director of Design Management.



**Mr.  
TRAN HO SY TUAN**  
Acting Director of Planning  
– Project Management

Graduated from Ho Chi Minh City University of Architecture and University of Economics of Ho Chi Minh City, major of Business Administration, Mr. Sy Tuan owns over 10 years of experience. He has ever worked for many real estate and construction companies, etc and undertaken a series of positions such as Quality Control Manager in DESCON, Site Manager in NAMFATT Joint Venture Company, Vice Chairman of Project Management Unit and Chairman of Board of Supervisors in FICO Real Estate Company, Project Manager in Duffill Watts & Tse. He has joined Nam Long since 2007 and acted as Project Manager and Acting Director of Project Management Planning since 2011.





**Mr.**  
**CAO TAN THACH**  
Director of Construction Management

Graduated from UC Irvine University, California, USA as Civil Engineer, participated in the project management courses, Mr. Thach has ever worked for Linscott, Law & Greespan Engineers, USA. After returning to Vietnam in 2007, he joined Nam Long as Assistant of Director General. He was assigned as Director of Construction Management in 2008. He is now the member of ASCE USA.



**Mr.**  
**NGUYEN PHUC**  
Director of Project Development

Mr. Phuc graduated from University of Economics of Ho Chi Minh City, Business Administration Department, Chemistry Department of Ho Chi Minh City's University of Technology. He possesses over 09 service years in Nam Long as Director of Project Legislation Management and Compensation and Site Clearance of projects launched by the Company. Moreover, he also manages other key projects of the Company.



**Mr.**  
**NGUYEN CONG HUAN**  
Director of Finance- Accounting

Graduated from Foreign Trade University of Ho Chi Minh City, he owns over 10 years of experience in financial, accounting and investment fields in many domestic and foreign companies including Senior Auditor in Ernst & Young Vietnam, Finance Manager in Akzo Nobel Powder Coatings Vietnam, Director of Corporate Finance Consultancy in FPT Securities Joint Stock Company (FPTS), Investment Expert in BankInvest Fund. He has joined Nam Long since 2009 as Chairman of Board of Directors/ Director General. Since 2010, he has been elected as Finance Director.



**Mr.**  
**TRAN QUY HUNG**  
Director of Investment

Mr. Hung graduated from Libre de Bruxelles, Belgium, major of finance. He possesses 17 years of experience in Vietnamese and foreign companies and organizations such as Paragon, Chesterton Petty, Hudro Agri, United Overseas Bank, Banque Nationale de Paris. His extensive experience in finance, real estate and investment management is widely acknowledged. At present, he is the Director of Investment, in charge of the Company's investments such as project investment, capital mobilization, issuance, listing and management of subsidiaries and affiliates and so forth



**Mr.**  
**DUONG QUANG MINH**  
Director of Administration – HR - IT

Mr. Minh graduated from Hanoi University of Foreign Studies (now Hanoi University), major of Bachelor of English and Ho Chi Minh City's University of Economics with major of Business Administration. He owns over 5 years of experience in Business and over 12 years of experience in Administration and Human Resources. He was in charged of HR Management in Companies and Groups such as Sai Gon Paper Group, Japfa Comfeed Vietnam, Dai Nam Group, CJ Vina Agri, New Asia and so on



**Ms.**  
**LUONG THI KIM THOA**  
Chief Accountant

Graduated from University with major of Finance and Accounting, Ms. Thoa has over 20 years of experience in accounting. She has joined Nam Long since 2002. She was assigned to hold the position as Vice Manager of Accounting Department in 2004. She has been in charge of Chief Accountant since 2005.



## Changes in Board of Directors, Board of Executives and Board of Supervisors



- Mr. Le Chien Thang assigned the Vice Director General
- Mr. Luong Hoai Nam is appointed to undertake the position of Vice Director General

## Treatment policy for employees

### Labor qualification structure in the Company:

No.	ITEMS	QUANTITY	PERCENT (%)
1	<b>Qualification-based classification</b>		
	University and postgraduate	103	91,15
	College	0	0
	Intermediate and primary level	6	5,31
	Manual labor	4	3,54
2	<b>Classification by contract term</b>		
	Non-definite term contract	81	71,68
	Contract with 1-3 year terms	29	25,66
	Contract with less than 1 year term	12	

**TOTAL EMPLOYEES**  
**113 EMPLOYEES**  
**(AS AT 29<sup>th</sup> FEBRUARY 2012)**



### Benefit and treatment policies for employees

By thoroughly understanding that HR is the Company's most important treasure, Nam Long offers the best welfare policy for employees, including benefits as stipulated by the law such as Social Insurance, Medical Insurance and others only applied in the company, demonstrating dedicated concern for employee life, especially allowances for illness, launching picnics and vacation; creating favorable conditions for employees to buy land, house and

shares with priority price, etc.

Moreover, in order to motivate and encourage working spirit for employees, cultural and sport activities are often organized for the employees. In addition to hiring tennis fields for employees to improve health, "Nam Long Annual Family Festival" is also launched, including a series of exciting cultural and sport activities such as outdoor sports, skillful contests, annual tennis championship contest in series of "expanded Nam Long

championship" to launch a friendship contest with partners, etc.

Furthermore, Nam Long also sponsors and engages in many sport contests held by partners such as Tennis contests organized by Ministry of Construction, Military Headquarters of the City, Golf contest to raise fund to construct public works for the poor, etc as well as social culture and art performance programs.



## HR training policies:

Annual budget for training worth 204,820,000 VND, accounting for 9.3% of total salary fund. Number of employees participating into the annual training course is 63 persons, accounting for 54.3% of total employees.

### Training contents and forms:

- To invite famous organizations to train employees (apply new software in the Company, disseminate new laws on land contract and train law on procurement, etc)
- To assign employees to involve in courses offered by the prestige and famous organizations (Project Management, Brand Management, Marketing Manager, Managing Director, HR Manager, Management Skills for Management Levels, etc)
- To facilitate employees to access to beautiful and qualified projects, construction materials companies to study, train and learn experience (visit Dong Tam Ceramics Company, projects in Phu My Hung, etc.)
- To assign employees to go overseas business trips to study about architect and business transaction manners (in Malaysia, Hong Kong, Singapore, China, Australia, New Zealand, etc)

## Talent development policy:

Nam Long always treasures the HR as its most precious asset. Therefore, employee recruitment and treatment are received with special attention of Nam Long.

### • Recruitment:

With reference to the Company's annual business plan, the HR Management Department shall prepare the recruitment plan suitable with quality and quantity of candidates. Candidate is selected in accordance with the Company's standard recruitment process. Candidates must perform test on IQ indicator, English communicative skills, and representation skills to be ranked in the short-list of the next interviews. In addition to specific requirements of each vacancy, Nam Long always orients towards a staff qualified with three criteria, concretely:

- Honesty
- Good mental condition
- Good physical condition

These are the recruitment criteria applied in the Company.

### • Talent preference treatment:

The Company wishes to offer a working environment where each employee can find his enthusiastic in work and enjoy with fair reward

corresponding to his contribution to the Company's success. In a series of effort to realize this goal, the salary system and reward policies have been successfully studied and launched in accordance with human factors, works, career development pathway and competition. Furthermore, preferential treatment policy is also applied to attract talents, creating a long-term loyalty such as Preference Share Program and Housing Program for the Company's employees.

### • Talent development:

Career development pathway of employees is clearly oriented right from the date employees joined Nam Long. They can select to develop their career to be a Manager or Senior Expert or Project Manager. Through annual performance evaluation of the employees, managers determine strengths to develop employees and points to be improved and recommend suitable training courses to facilitate their subordinates effectively improve the skills and capacity.

For managerial staff, performance evaluation system application helps to improve the management capacity and more importantly develop qualified successors for the Company.







**IMPROVING LIVING STANDARDS  
FOR TODAY AND TOMORROW**

# 6

## ENVIRONMENT & COMMUNITY

Environment and Society  
Community Responsibility



## ENVIRONMENT AND SOCIETY

Protection and preservation of living environment are **the first and most important goals** of Nam Long when investing and developing projects.



Each project launched by Nam Long is applied with Regulations on residential area management with strict terms on environmental protection during construction and living of local persons in the Project. Moreover, Nam Long's professional safeguard team is also available to patrol, supervise and remind builders as well as local persons to take suitable domestic and debris collection and treatment measures to ensure not affecting the Project's internal and external environment. Coverage measures should be qualified so as not to cause dust, emission, noise and vibration impacts on surroundings. In each project, Nam Long requests builders to apply new environmental protection technologies such as:

- Using solar energy - based hot water machine system;
- Using Miclayco additives to improve clay and sodium in site stone and sand materials to become cement mortar and concrete, serving for works items, embankment, etc, minimizing usage of precious construction aggregates to be preserved.
- Encouraging to use asphalt concreting formwork to be able to reuse instead of wood mould, maximizing savings of natural resources.

Each project is provided with separated rainwater system and wastewater drainage system. The wastewater drainage system is collectively treated before discharging into the area's general drainage system. Rate of trees and parks are also increased within the project planning.

Nam Long always searches and orients towards application of advanced technical measures to protect and minimize environmental pollution. New urban areas of the Company are performed with criteria of "green city without flood" with separated rainwater and wastewater systems. Each Project launched by Nam Long is invested with wastewater treatment station with technology which is inspected, accepted and provided with discharging permit by Department of Natural Resources and Environment as stipulated in the Law on Environment. Post-treatment wastewater is qualified as prescribed.

Nam Long residential areas are qualified and awarded with the Certificate of Environment issued by the Department of Science and Technology.

## COMMUNITY RESPONSIBILITY

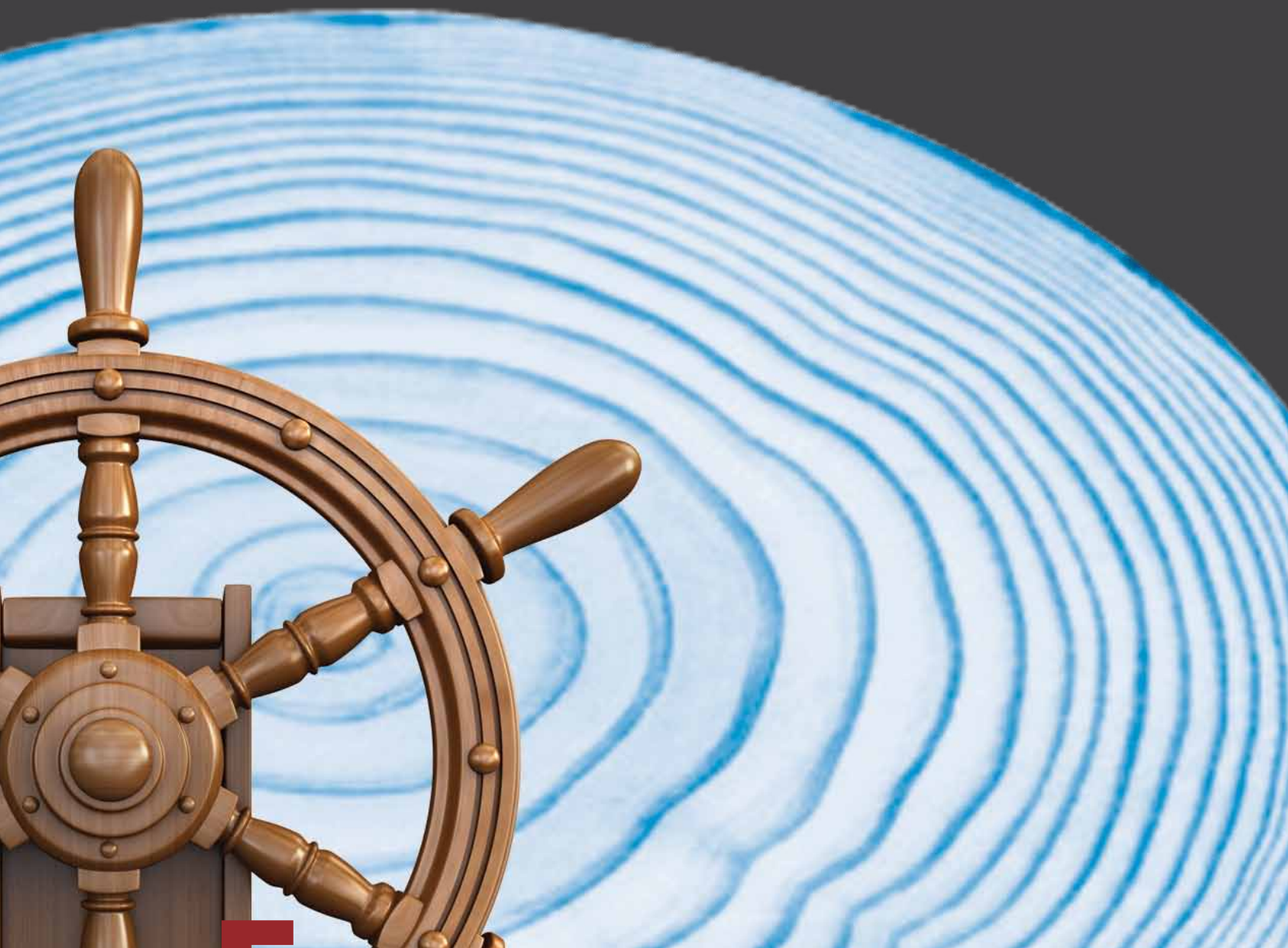


In addition to economic operations, Nam Long always focuses on supporting activities with strategic vision towards long-term benefits for the community. For example, Nam Long sponsors the scientific conferences including flood control projects for residential area, soft soil constriction plans, design contests and seminars on urban planning, publication of scientific books "Flood control plans for city and sustainable urban development" and many other practical social programs.

Regarding charity, Nam Long offers a dedicated fund to launch annual sponsor for charity activities such as scholarship, books and notebooks for poor students, funding to construct schools (schools in Long An province in 2007, annual sponsor program for poor student, etc);

free provision of newspapers and magazines to libraries of universities every year (University of Economics, University of Technology, University of Architecture, Long An and Binh Duong Provincial Libraries, etc), student sport contents (badminton contest in Tan Phu District, etc), building a gratitude house, care of Vietnamese Hero Mother, establishment of Grandparent- Nephew Club, sponsor for fire, flood and disasters, and so forth. Annual gold contest for charity purpose has been launched by Nam Long since 2010 to raise scholarship fund for poor and studious students under the National University of Ho Chi Minh City, etc. Many other meaningful welfare programs are also conducted.





**RELIABLY STEERING WITH  
EXTENSIVE VISION TOWARD  
BRIGHT FUTURE**

# 7

## INFORMATION ABOUT SHAREHOLDERS

Board of Directors and Board of Supervisors  
Statistics on Shareholders



## BOARD OF DIRECTORS AND BOARD OF SUPERVISORS



### I. Operations of Board of Directors

In 2011, Nam Long’s Board of Directors convened the quarterly meeting. The Board was responsible for all issues on development strategies, HR, treatment policies and so on. The Company’s operation strategy was prepared in accordance with the business situation and operation market evaluation to obtain the highest performance. In each specific case, the Board would release decisions suitable with the Company’s sustainable development goals.

### II. Operations of Board of Supervisors

In 2011, the quarterly meeting of Board of Supervisors and indirect meetings were conducted to fulfill following tasks:

- To supervise Board of Directors, the Management in terms of corporate management and control in accordance with the Articles of Association;
- Head of Board of Supervisors engaged in meetings of Board of Directors and made constructive suggestions to the Board of Directors and Board of Executives;
- Board of Supervisors involved in auditing the Company’s Financial Statements in 2010 in cooperation with the auditors assigned by the Auditing Company.

### III. Operation budget of Board of Directors, Board of Supervisors and Investment Board

- In Article 38, Clause i of the Articles of Association, expenses for the Board of Directors and Board of Supervisors are stipulated as follows: “In all cases, such expenses should not be lower than 0.3% of net revenue. The specific distribution shall be conducted by the Board of Directors...”
- According to the Resolution of the General Shareholders’ Meeting dated 22nd April 2010, operation budget for Board of Directors and Board of Supervisors was approved worth 3,474 billion VND.
- According to the non-audited business performance, including net revenue of 706 billion VND in 2011, therefore, operation budget of Board of Directors, Board of Supervisors and Investment Subcommittee is 2,118 billion VND (lower than that as prescribed in the Resolution approved by the General Shareholders’ Meeting)
- > Total remuneration in 2011 was qualified with the approved budget.

### IV. Particulars about share transactions of members of Board of Directors, Board of Supervisors, the Management and relevant stakeholders

ORGANIZATION/ TRADER	TITLE OR RELATION	SALES
Ngo Thi Ngoc Lieu	Founding Shareholder	160.000
Lam Xuan Hoang Lan	Founding Shareholder	109.950

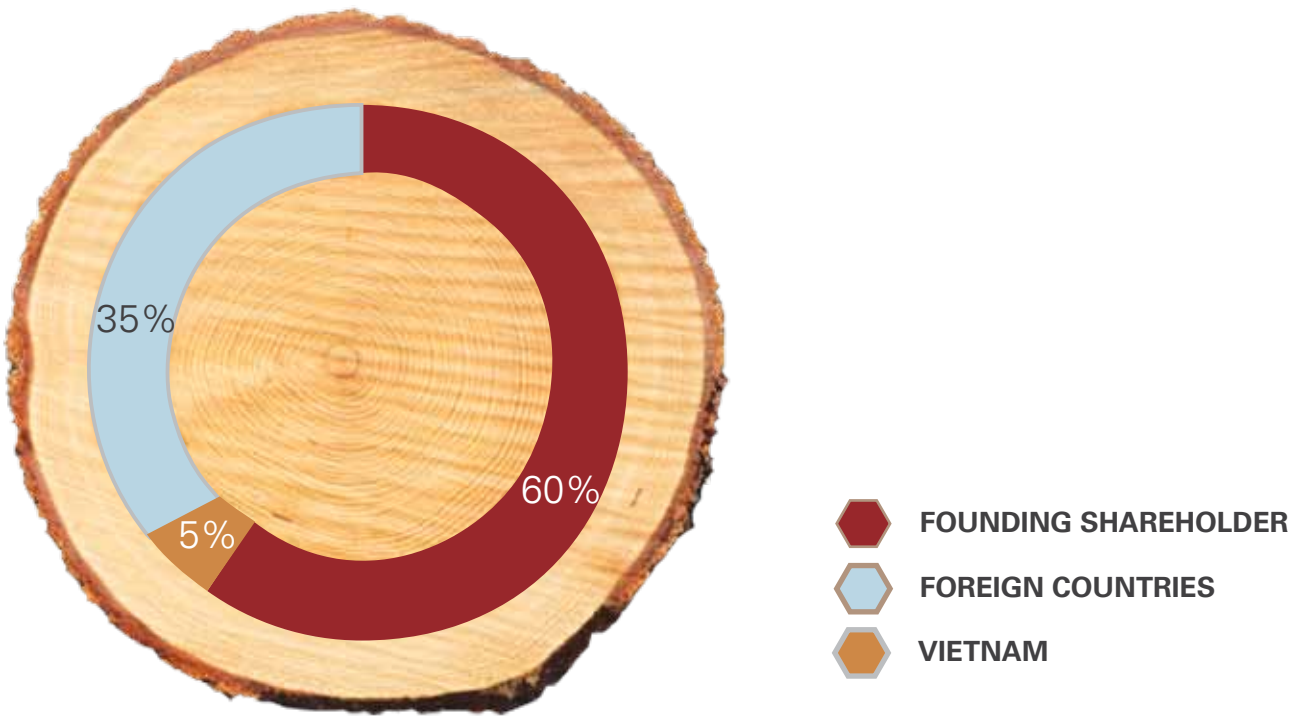


# STATISTIC ON SHAREHOLDERS

## I. Shareholder structure

SHAREHOLDERS	NUMBER OF SHARES	PERCENT (%)
Founding shareholders	36.844.507	59,84
<b>Vietnam</b>	<b>3.133.855</b>	<b>5,09</b>
- Individuals	2.998.000	4,87
- Organizations	135.855	0,22
<b>Foreign countries</b>	<b>21.593.585</b>	<b>35,07</b>
- Individuals	-	-
- Organizations	21.593.585	35,07
<b>Total</b>	<b>61.571.947</b>	<b>100</b>

Shareholder structure



## II. Main shareholders

NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENT %
ASPL V6 Limited	10.125.000	16,44
Nguyen Xuan Quang	9.188.124	14,92
Ngo Thi Ngoc Lieu	6.380.548	10,36
Nguyen Thi Bich Ngoc	5.836.959	9,48
Nam Viet Limited	5.625.000	9,14
Tran Thanh Phong	5.482.629	8,90
Vietnam Azalea Fund Limited	4.178.263	6,79
Lam Xuan Hoang Lan	3.160.255	5,13
<b>Total</b>	<b>49.976.778</b>	<b>81,17</b>

### In which Foreign shareholders

NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENT %
ASPL V6 Limited	10.125.000	16,44
Nam Viet Limited	5.625.000	9,14
Vietnam Azalea Fund Limited	4.178.263	6,79
VI (Vietnam Investments) Fund I, L.P	1.501.884	1,38
VI (Vietnam Investments) Partners, LLC	163.438	0,27
<b>Total</b>	<b>21.593.585</b>	<b>35,07</b>

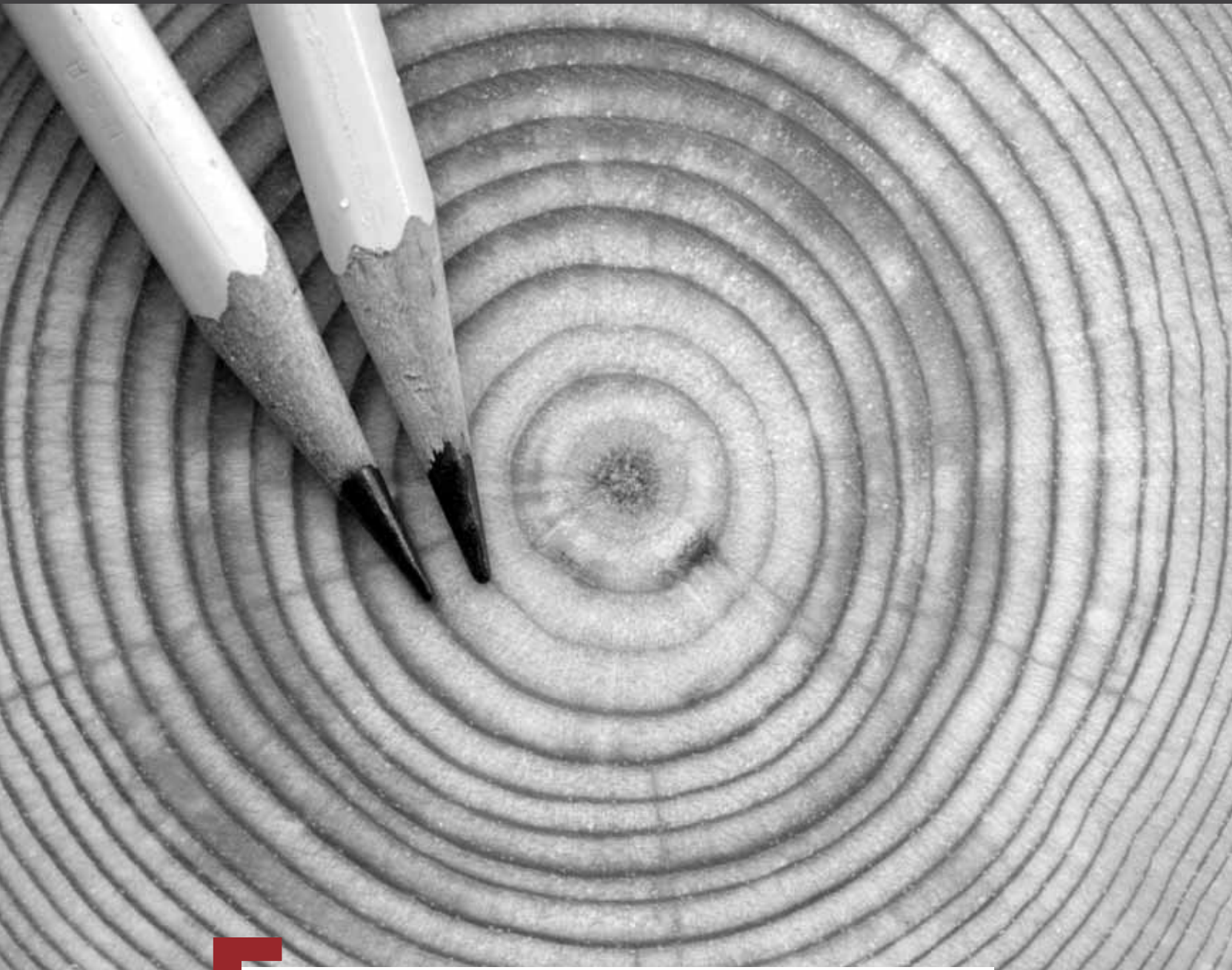
### Founding shareholders

NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENT %
Nguyen Xuan Quang	9.188.124	14,92
Tran Thanh Phong	5.482.629	8,90
Do Ngoc Minh	2.290.123	3,72
Nam Khang Investment JSC	2.704.621	4,39
Ngo Thi Ngoc Lieu	6.380.548	10,36
Nguyen Thi Bich Ngoc	5.836.959	9,48
Lam Xuan Hoang Lan	3.160.255	5,13
Nguyen Thi Huong	1.801.248	2,93
<b>Total</b>	<b>36.844.507</b>	<b>59,84</b>

### Domestic organizations

NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENT %
Tan Hiep International Trading and Service Co., Ltd.	120.000	0,20
Phan Vu Investment JSC	15.855	0,03
<b>Total</b>	<b>135.855</b>	<b>0,22</b>





**BUILDING TRUST FROM  
TRANSPARENCY IN AUDITING**

# 8

**AUDITOR  
REPORT**



GENERAL INFORMATION

THE COMPANY



Nam Long Investment Corporation (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103004194 issued by the Ho Chi Minh City Department of Planning and Investment (“DPI”) on 27 December 2005 and the following Amended Business Registration Certificates:

First amendment	29 May 2006
Second amendment	28 May 2007
Third amendment	7 August 2007
Fourth amendment	11 March 2008
Fifth amendment	15 August 2008
Sixth amendment	25 August 2009
Seventh amendment	22 January 2010
Eighth amendment	26 May 2010
Ninth amendment	13 March 2012

The first amendment dated 29 May 2006 issued by DPI approved the opening of a new branch in Can Tho City.

The second amendment dated 28 May 2007 issued by DPI approved the increase of charter capital from VND’000 55,000,000 to VND’000 200,000,000. The amendment also approved the decrease in collective ownership of Mr Nguyen Xuan Quang - Chairman of the Board of Management and General Director and Ms Nguyen Thi Bich Ngoc - Wife of Chairman from 36.5% to 21.9%.

The third amendment dated 7 August 2007 issued by DPI extended the scope of activities of the Company to invest in construction and trade of urban areas, invest in construction and trade of infrastructures for industrial zones and hi-tech parks. Investment in construction, trade, management and lease of office buildings, supermarkets, schools, swimming pools, hotels, restaurants, golf course, sports facility zones and resorts (outside office premises); project management advisory services; verification and approval of construction drawings.

The fourth amendment dated 11 March 2008 issued by DPI approved the increase in collective ownership of Mr Nguyen Xuan Quang - Chairman of the Board of Management and General Director and Ms Nguyen Thi Bich Ngoc - Wife of Chairman from 21.9% to 33.02%.

The fifth amendment dated 15 August 2008 issued by DPI approved the increase of charter capital from VND’000 200,000,000 to VND’000 271,665,750. The amendment also extended the scope of activities of the Company to advise in real estate brokerage service; property appraisal; property transaction center; real estate advisory service; real estate auction; real estate advertising and real estate management. The amendment also approved the decrease in collective ownership of Mr Nguyen Xuan Quang - Chairman of the Board of Management and General Director and Ms Nguyen Thi Bich Ngoc - Wife of Chairman from to 33.02% to 24.31%.

The sixth amendment dated 25 August 2009 issued by DPI approved the change of the Company’s head office to 11th Floor, Capital Tower, 6 Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam.

The seventh amendment dated 22 January 2010 issued by DPI approved the increase of charter capital from VND’000 271,665,750 to VND’000 382,624,910.

The eighth amendment dated 26 May 2010 issued by DPI approved the increase of charter capital from VND’000 382,624,910 to VND’000 482,624,910.

The ninth amendment dated 13 March 2012 issued by DPI approved the increase of charter capital from VND’000 482,624,910 to VND’000 615,719,470.



GENERAL INFORMATION (continued)

THE COMPANY (continued)

As at 31 December 2011, the Company has eleven subsidiaries, one associates and two jointly controlled entities with details as follows:

NAME	RELATIONSHIP	LOCATION	BUSINESS
Nam Long Development Corporation	Subsidiary	Ho Chi Minh - Vietnam	Construction and real estate
Nam Long Service Joint Stock Company	Subsidiary	Ho Chi Minh - Vietnam	Service and construction
Nam Long Hong Phat Joint Stock Company	Subsidiary	Can Tho - Vietnam	Construction and real estate
Nguyen Son Construction - Trading Limited Liability Company	Subsidiary	Ho Chi Minh - Vietnam	Construction and real estate
Nam Long Apartment Development Corporation (Nam Long ADC)	Subsidiary	Ho Chi Minh - Vietnam	Construction and real estate
Nam Long Real Estate Transaction Floor Co., Ltd.	Subsidiary	Ho Chi Minh - Vietnam	Real Estate Trading Floor
Nam Long - Mi Pha Co., Ltd.	Subsidiary	Ba Ria - Vung Tau	Construction and real estate
Nam Khang Corporation	Subsidiary	Ho Chi Minh - Vietnam	Construction and real estate
Nam Long Vam Co Dong Joint Stock Company	Subsidiary	Long An - Viet Nam	Construction and real estate
Gamuda - Nam Long Development Limited Liability Company	Joint Venture	Ho Chi Minh -Vietnam	Real estate
Nam Long ASPL PV Co., Ltd.	Joint Venture	Ho Chi Minh -Vietnam	Construction and real estate
Nam Long ASPL PLB Co., Ltd.	Joint Venture	Ho Chi Minh -Vietnam	Construction and real estate
PV – ĐN Concrete Components Production Joint Stock Company	Nam Long’s Invest-ment companies	Ho Chi Minh -Vietnam	Construction and real estate
Vietnam – Korea Co., Ltd.	Nam Long’s Invest-ment companies	Ho Chi Minh -Vietnam	Construction and real estate
South – Central – North Home Development Joint Stock Company	Nam Long’s Invest-ment companies	Ho Chi Minh -Vietnam	Construction and real estate

The principal activities of the Group, through the Company and its subsidiaries are engaged in civil and industrial construction; housing renovation and interior decoration; housing trade (construction, renovation of houses for sale or lease); harbour and road bridge construction; ground levelling, construction of drainage systems; installation and repair of electrical systems under 35KV;

housing brokerage services; mining, sale and purchase of construction materials; investment in construction and trade of urban areas; investment in construction and trade of infrastructures for industrial zones and hi-tech parks. Investment in construction, trade, management and lease of: office buildings, supermarkets, schools, swimming pools, hotels, restaurants, golf course, sports

facility zones and resorts (outside office premises); project management advisory service; design verification; real estate brokerage services; real estate valuation services; real estate exchange services; real estate consulting services; real estate auction services; real estate advertising services; real estate management services.

The Company’s head office is located at 11th Floor, Capital Tower, 6 Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam and one branch in Can Tho City, Vietnam.

BOARD OF DIRECTORS

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

NAME	POSITION
Mr. Nguyen Xuan Quang	Chairman
Mr. Tran Thanh Phong	Vice Chairman
Mr. Cao Tan Buu	Member
Mr. Lai Voon Hon	Member
Mr. Bui Duc Khang	Member
Mr. Do Ngoc Minh	Member

BOARD OF SUPERVISION

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

NAME	POSITON
Mr. Vuong Thuan	Head of Board of Supervision (appointed on 5 May 2011)
Mr. Low Hiew Beng	Member (appointed on 5 May 2011)
Mr. Le Quang Thanh Truc	Member (appointed on 5 May 2011)

MANAGEMENT

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

NAME	POSITION
Mr. Nguyen Xuan Quang	General Director
Mr. Le Chien Thang	Deputy General Director (resigned on 30 September 2011)
Mr. Luong Hoai Nam	Deputy General Director (appointed on 24 June 2011)
Mr. Nguyen Cong Huan	Chief Financial Officer
Mr. Tran Quy Hung	Investment Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Nguyen Xuan Quang.

AUDITOR

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



## Report of Management

Management of Nam Long Investment Corporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2011.

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

The 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 and 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 Company and its subsidiaries will continue in business.

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

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements for the year ended 31 December 2011.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements which give a true and fair view of the consolidated financial position of the Group as at 31 December 2011, 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 relevant statutory requirements.

For and on behalf of management:



**NGUYEN XUAN QUANG**  
General Director

Ho Chi Minh City, Vietnam  
28 March 2012

## Independent Auditors' Report

Reference: 60755865/15239278-conso

### TO: THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF NAM LONG INVESTMENT CORPORATION

We have audited the consolidated financial statements of Nam Long Investment Corporation ("the Company") and its subsidiaries ("the Group") as set out on pages 6 to 54 which comprise the consolidated balance sheet as at 31 December 2011, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

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

### BASIS OF OPINION

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial state-

ments are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2011, 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 Ltd.

**Mai Viet Hung Tran**

Deputy General Director  
Certificate No. N.0048/KTV

Ho Chi Minh City, Vietnam  
28 March 2012

**Le Vu Truong**

Auditor  
Certificate No. N.1588/KTV



# Consolidated balance sheet

as at 31 December 2011

VND

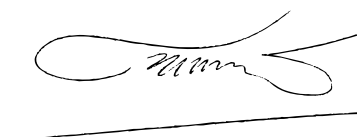
CODE	ASSETS	NOTES	ENDING BALANCE	BEGINNING BALANCE
100	A. CURRENT ASSETS		2.403.712.163.568	1.925.605.753.557
110	I. Cash and cash equivalents	5	141.617.797.269	206.205.111.894
111	1. Cash		28.767.843.542	150.505.111.894
112	2. Cash equivalents		112.849.953.727	55.700.000.000
130	II. Current accounts receivable		179.215.478.635	289.379.522.128
131	1. Trade receivables	6	97.638.882.169	84.331.200.644
132	2. Advances to suppliers	7	53.244.912.094	189.243.635.920
135	3. Other receivables	8	28.508.970.932	15.825.001.450
139	4. Provision for doubtful debts		(177.286.560)	(20.315.886)
140	III. Inventories		2.058.998.793.509	1.411.047.476.299
141	1. Inventories	9	2.058.998.793.509	1.411.047.476.299
150	IV. Other current assets		23.880.094.155	18.973.643.236
151	1. Short-term prepaid expenses		362.986.339	260.641.918
152	2. Value-added tax deductibles		2.804.993.114	2.016.696.116
154	3. Tax and other receivables from the State		490.529.348	-
158	4. Other current assets		20.221.585.354	16.696.305.202
200	B. NON-CURRENT ASSETS		490.994.437.381	544.722.938.091
220	I. Fixed assets		53.284.857.484	49.121.488.786
221	1. Tangible fixed assets	10	43.062.320.941	37.681.872.356
222	Cost		55.879.423.017	44.396.973.930
223	Accumulated depreciation		(12.817.102.076)	(6.715.101.574)
227	2. Intangible assets	11	10.177.525.203	11.439.616.430
228	Cost		11.930.326.855	14.675.880.869
229	Accumulated amortisation		(1.752.801.652)	(3.236.264.439)
230	3. Construction in progress		45.011.340	-
240	II. Investment properties	12	82.253.298.015	118.986.036.358
241	1. Cost		92.607.354.815	127.362.245.232
242	2. Accumulated depreciation		(10.354.056.800)	(8.376.208.874)
250	III. Long-term investments		270.433.662.035	334.937.122.653
252	1. Investments in associates and jointly controlled entities	13	172.877.681.564	93.329.361.690
258	2. Other long-term investments	14	97.555.980.471	241.607.760.963
270	IV. Other long-term assets		77.198.643.796	32.413.998.909
271	1. Long-term prepaid expenses	15	17.475.191.139	15.599.211.732
272	2. Deferred tax assets	32.3	56.376.874.772	14.191.035.242
273	3. Other long-term assets		3.346.577.885	2.623.751.935
269	V. Goodwill	16	7.823.976.051	9.264.291.385
280	TOTAL ASSETS		2.894.706.600.949	2.470.328.691.648

# Consolidated balance sheet (continued)

as at 31 December 2011

VND

CODE	RESOURCES	NOTES	ENDING BALANCE	BEGINNING BALANCE
300	A. LIABILITIES		1.382.189.247.125	1.100.939.327.405
310	I. Current liabilities		1.183.755.722.119	1.018.236.983.219
311	1. Short-term loans and borrowings	17	295.414.917.847	195.841.324.416
312	2. Trade payables	18	72.916.136.973	91.872.076.449
313	3. Advances from customers	19	369.759.185.389	501.622.722.020
314	4. Statutory obligations	20	111.001.143.818	11.222.433.012
315	5. Payables to employees		16.197.906.904	7.368.965.285
316	6. Accrued expenses	21	122.820.391.337	48.552.680.736
319	7. Other payables	22	180.204.802.814	147.854.995.792
323	8. Bonus and welfare funds	25	15.441.237.037	13.901.785.509
330	II. Non-current liabilities		198.433.525.006	82.702.344.186
333	1. Other long-term liabilities	23	6.171.067.005	3.353.109.887
334	2. Long-term loans	24	172.747.244.978	56.412.644.661
335	3. Deferred tax liabilities	32.3	13.329.738.735	18.303.129.493
336	4. Provision for termination allowance		6.185.474.288	4.633.460.145
400	B. OWNERS ' EQUITY		1.229.615.188.256	1.189.791.703.984
410	I. Capital	26.1	1.229.615.188.256	1.189.791.703.984
411	1. Share capital		615.719.470.000	410.479.810.000
412	2. Share premium		432.054.601.871	534.674.431.871
414	3. Treasury shares		(18.359.590.000)	-
417	4. Investment and development fund		978.767.790	50.121.257
418	5. Financial reserve fund		7.072.822.596	6.757.468.781
419	6. Other funds belonging to owners' equity		4.057.115.657	1.701.661.929
420	7. Undistributed earnings		188.092.000.342	236.128.210.146
500	C. MINORITY INTEREST	27	282.902.165.568	179.597.660.259
TOTAL LIABILITIES AND OWNERS' EQUITY			2.894.706.600.949	2.470.328.691.648



LUONG THI KIM THOA

Chief Accountant

28 March 2012



NGUYEN XUAN QUANG

General Director



Consolidated income statement

for the year ended 31 December 2011

VND				
CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
01	1. Revenues from sale of goods and rendering of services	28.1	734.645.825.654	839.858.195.947
02	2. Deductions	28.1	(642.307.508)	(73.899.411)
10	3. Net revenues from sale of goods and rendering of services	28.1	734.003.518.146	839.784.296.536
11	4. Costs of goods sold and services rendered	29	(459.440.120.547)	(490.355.699.340)
20	5. Gross profit from sale of goods and rendering of services		274.563.397.599	349.428.597.196
21	6. Finance income	28.2	17.651.952.059	15.998.643.402
22	7. Finance expenses	30	(28.822.020.257)	(25.024.306.018)
23	<i>In which: Interest expenses</i>		<i>(22.151.356.317)</i>	<i>(17.041.347.221)</i>
24	8. Selling expenses		(34.668.324.874)	(33.122.354.111)
25	9. General and administration expenses		(125.214.522.587)	(79.472.943.740)
30	10. Operating profit		103.510.481.940	227.807.636.729
31	11. Other income	31	89.253.852.769	9.715.661.093
32	12. Other expenses	31	(1.310.930.699)	(1.911.665.449)
40	13. Other profit	31	87.942.922.070	7.803.995.644
50	14. Profit after tax shared from Joint ventures and Associates		1.826.930.332	10.304.569.493
60	15. Total profit before tax		193.280.334.342	245.916.201.866
61	16. Current income tax expenses	32.1	(99.537.680.038)	(58.667.782.009)
62	17. Deferred income tax benefit (expense)	32.3	43.429.829.605	(5.529.318.494)

Consolidated income statement  
(continued)

for the year ended 31 December 2011

VND				
CODE	ITEMS	NOTES	CURRENT YEAR	PREVIOUS YEAR
70	18. Profit after tax		137.172.483.909	181.719.101.363
	<i>Attributable to:</i>			
	<i>18.1 Minority interest</i>		29.970.560.478	(4.913.961.094)
	<i>18.2 The Company's shareholders</i>		107.201.923.431	186.633.062.457
80	Earnings per share			
	Basic earnings per share			
	(par value of VND 10,000 per share)	26.4	1.772	3.125



LUONG THI KIM THOA  
Chief Accountant  
28 March 2012



NGUYEN XUAN QUANG  
General Director



# Consolidated cash flow statement

for the year ended 31 December 2011

VND

CODE	ITEMS	NOTES	CURRENT YEAR	PRIOR YEAR
I CASH FLOWS FROM OPERATING ACTIVITIES				
01	Net profit before tax		193.280.334.342	245.916.201.866
	Adjustments for:			
02	Depreciation and amortisation	10, 11,12	9.706.467.762	9.895.515.185
03	Provisions		156.970.674	20.315.886
04	Unrealised foreign exchange (loss) gains	30	374.295.709	(1.136.000.000)
05	Profits from investing activities		(39.381.459.001)	(14.621.026.194)
06	Share profit of associates		(1.826.930.332)	(10.304.569.493)
07	Interest expense		22.151.356.317	17.041.346.727
	Goodwill amortization	16	3.085.408.306	2.739.579.942
08	Operating income before changes in working capital		187.546.443.777	249.551.363.919
09	Decrease in receivables		212.533.769.986	4.590.188.370
10	Increase in inventory		(346.568.317.380)	(37.938.120.390)
11	Decrease in payable		(166.697.703.692)	(108.636.638.714)
12	Increase in prepaid expenses		(3.301.912.270)	(4.743.794.977)
13	Interest paid		(39.693.563.615)	(16.728.780.066)
14	Corporate income tax paid	32.2	(25.406.602.390)	(99.516.811.632)
15	Other cash outflows from operating activities		(16.917.914.711)	-
20	Net cash used in operating activities		(198.505.800.295)	(13.422.593.490)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases and construction of fixed assets		(3.576.651.461)	(2.115.212.759)
23	Short-term bank deposits		-	5.000.000.000
25	Payments for investments in BCCs and other entities		(62.912.975.425)	(19.865.376.303)
26	Returns from investments in other entities and government bonds		11.273.816.000	572.000.000
27	Interest and dividends received		26.065.629.608	18.278.554.297
30	Net cash (used in) generated from investing activities		(29.150.181.278)	1.869.965.235

# Consolidated cash flow statement (continued)

for the year ended 31 December 2011

VND

CODE	ITEMS	NOTES	CURRENT YEAR	PRIOR YEAR
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Issuance of shares		-	167.911.711.221
33	Borrowings received		489.412.779.088	159.152.140.151
34	Borrowings repaid		(281.404.585.340)	(197.670.018.000)
36	Dividends paid to equity holders of the parent		(32.916.506.800)	(26.635.276.024)
	Dividends paid to minority interests		(12.023.020.000)	(6.341.127.980)
40	Net cash generated from financing activities		163.068.666.948	96.417.429.368
50	Net (decrease) increase in cash		(64.587.314.625)	84.864.801.113
60	Cash and cash equivalent at beginning of year		206.205.111.894	121.340.310.781
70	Cash and cash equivalent at end of year	5	141.617.797.269	206.205.111.894

**LUONG THI KIM THOA**  
Chief Accountant  
28 March 2012



**NGUYEN XUAN QUANG**  
General Director



Notes to the consolidated financial statements

as at and for the year ended 31 December 2011

1. CORPORATE INFORMATION

Nam Long Investment Corporation (“the Company”) is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103004194 issued by the Ho Chi Minh City Department of Planning and Investment (“DPI”) on 27 December 2005 and the following Amended Business Registration Certificates:

First amendment	29 May 2006
Second amendment	28 May 2007
Third amendment	7 August 2007
Fourth amendment	11 March 2008
Fifth amendment	15 August 2008
Sixth amendment	25 August 2009
Seventh amendment	22 January 2010
Eighth amendment	26 May 2010
Ninth amendment	13 March 2012

The first amendment dated 29 May 2006 issued by DPI approved the opening of a new branch in Can Tho City.

The second amendment dated 28 May 2007 issued by DPI approved the increase of charter capital from VND’000 55,000,000 to VND’000 200,000,000. The amendment also approved the decrease in collective ownership of Mr Nguyen Xuan Quang - Chairman of the Board of Management and General Director and Ms Nguyen Thi Bich Ngoc - Wife of Chairman from 36.5% to 21.9%.

The third amendment dated 7 August 2007 issued by DPI extended the scope of activities of the Company to invest in construction and trade of urban areas, invest in construction and trade of infrastructures for industrial zones and hi-tech parks. Investment in construction, trade, management and lease of office buildings, supermarkets, schools, swimming pools, hotels, restaurants, golf course, sports facility zones and resorts (outside office premises); project management advisory services; verification and approval of construction drawings.

The fourth amendment dated 11 March 2008 issued by DPI approved the increase in collective ownership of Mr Nguyen Xuan Quang - Chairman of the Board of Management and General Director and Ms Nguyen Thi Bich Ngoc - Wife of Chairman from 21.9% to 33.02%.

The fifth amendment dated 15 August 2008 issued by DPI approved the increase of charter capital from VND’000 200,000,000 to VND’000 271,665,750. The amendment also extended the scope of activities of the Company to advise in real estate brokerage service; property appraisal; property transaction center; real estate advisory service; real estate auction; real estate advertising and real estate management. The amendment also approved the decrease in collective ownership of Mr Nguyen Xuan Quang - Chairman of the Board of Management and General Director and Ms Nguyen Thi Bich Ngoc - Wife of Chairman from to 33.02% to 24.31%.

The sixth amendment dated 25 August 2009 issued by DPI approved the change of the Company’s head office to 11th Floor, Capital Tower, 6 Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam.

The seventh amendment dated 22 January 2010 issued by DPI approved the increase of charter capital from VND’000 271,665,750 to VND’000 382,624,910.

The eighth amendment dated 26 May 2010 issued by DPI approved the increase of charter capital from VND’000 382,624,910 to VND’000 482,624,910.

The ninth amendment dated 13 March 2012 issued by DPI approved the increase of charter capital from VND’000 482,624,910 to VND’000 615,719,470.

As at 31 December 2011, the Company has eleven subsidiaries, one associates and two jointly controlled entity with details as follows:

NAME	RELATIONSHIP	LOCATION	BUSINESS
Nam Long Development Corporation	Subsidiary	Ho Chi Minh - Vietnam	Construction and real estate
Nam Long Service Joint Stock Company	Subsidiary	Ho Chi Minh - Vietnam	Service and construction
Nam Long Hong Phat Joint Stock Company	Subsidiary	Can Tho - Vietnam	Construction and real estate
Nguyen Son Construction - Trading Limited Liability Company	Subsidiary	Ho Chi Minh - Vietnam	Real estate
Nam Long Apartment Development Corporation (Nam Long ADC)	Subsidiary	Ho Chi Minh - Vietnam	Construction and real estate
Nam Long Real Estate Transaction Floor Co., Ltd.	Subsidiary	Ho Chi Minh - Vietnam	Real Estate Trading Floor
Nam Long - Mi Pha Co., Ltd.	Subsidiary	Ba Ria - Vung Tau	Construction and real estate
Nam Long Vam Co Dong Joint Stock Company	Subsidiary	Long An - Viet Nam	Construction and real estate
Nam Khang Corporation	Subsidiary	Ho Chi Minh -Vietnam	Construction and real estate
Nam Vien Joint Stock Company	Subsidiary	Ho Chi Minh -Vietnam	Service
Nam Khang Construction Materials Trading Company Limited	Subsidiary	Ho Chi Minh -Vietnam	Trade
Viet Han Co., Ltd.	Associate	Ho Chi Minh -Vietnam	Construction and real estate
Gamuda - Nam Long Development Limited Liability Company	Joint Venture	Ho Chi Minh -Vietnam	Real estate

The principal activities of Nam Long Investment Corporation and its consolidated subsidiaries (“the Group”) are engaged in civil and industrial construction; housing renovation and interior decoration; housing trade (construction, renovation of houses for sale or lease); harbour and road bridge construction; ground levelling, construction of drainage systems; installation and repair of electrical systems under 35KV; housing brokerage services; mining, sale and purchase of construction materials; investment in construction and trade of urban areas; investment in construction and trade of infrastructures for industrial zones and hi-tech parks. Investment in construction, trade, management and lease of: of- fice buildings, supermarkets, schools, swimming pools, hotels, restaurants, golf course, sports facility zones and resorts (outside office premises); project management advisory service; design verification; real estate brokerage services; real estate valuation services; real estate exchange services; real estate consulting services; real estate auction services; real estate advertising services; real estate management services.

The head office of Nam Long Investment Corporation is located at 11th Floor, Capital Tower, 6 Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam and one branch in Can Tho City, Vietnam.

The number of the Company’s employees as at 31 December 2011 is 113 (31 December 2010: 120 employees).



# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 2. BASIS OF PREPARATION

### 2.1 Accounting Standards and System

The consolidated financial statements of the Group, expressed in Vietnam dong (“VND”), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standards 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 of the Group in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 Applied accounting documentation system

The Group’s applied accounting documentation system is the general journal system.

### 2.3 Fiscal year

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

### 2.4 Accounting currency

The Group maintains its accounting records in VND.

### 2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended 31 December 2011. The financial statements of the subsidiaries are prepared for the same period as the Company, using accounting policies consistent with the Company’s accounting policies. Adjustments are made for any differences in accounting policies that may exist to ensure consistency between the subsidiaries and the Company.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Minority interests represent the portion of profit or loss and net assets not held by the Company’s shareholders and are presented separately in the consolidated income statements and in the consolidated balance sheet.

The subsidiaries are consolidated from the date on which the Company obtains control and cease to be consolidated from the date on which the Company ceases to control. Where there is a loss of control over the subsidiaries, the consolidated financial statements still include results for the period of the reporting year during which the Company has control.



# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Company in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Company’s annual consolidated financial statements for the year ended 31 December 2010 except for the change in the accounting policy in relation to presentation and disclosures of financial instruments.

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

The adoption of Circular 210 results in new disclosures being added to the consolidated financial statements as shown in Notes 35 and 36.

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

### 3.2 Cash and cash equivalents

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

### 3.3 Inventories

Inventories comprises development projects undertaken by the Group which are in the work in progress stage and including mainly apartments, villas for sale under construction and land held for sale.

Apartments for sale under construction are carried at the lower of cost and net realizable value. Costs include all expenditures including land costs and borrowing costs, directly attributable to the development and construction

of the apartments, villas. Net realizable value represents current selling price less estimated cost to complete and estimated selling and marketing expenses.

Land held for development which is presented as part of “Inventories” is carried at the lower of cost and net realizable value. Costs include all expenditures including borrowing costs directly related to the acquisition, site clearance, land compensation and infrastructure construction. Net realizable value represents estimated current selling price less anticipated cost of disposal.

### 3.4 Receivables

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

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

### 3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, their costs and accumulated depreciation are removed from the 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 2011

### 3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, their costs and accumulated amortisation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

### Land use rights

Land use rights are recorded as intangible assets if the land is held for use in the production or business, for rental to others by the enterprise and when the Group receives the land use right certificate. The cost of land use right comprises any directly attributable costs of preparing the land for its intended use. Land development costs for the real estate development project for sales are recorded as inventories. Land with indefinite useful file is not amortised.

### 3.7 Depreciation and amortisation

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

Buildings and structures	25 - 47 years
Machinery, equipment	3 - 8 years
Motor vehicles	6 - 8 years
Office equipment and furniture	3 - 8 years
Software	3 - 5 years
Trademark license	5 years
Land use rights	47 years

### 3.8 Investment properties

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

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

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

Buildings and structures	6-47 years
Land use rights	47 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.



## Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

### 3.9 Borrowing cost

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

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

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

### 3.10 Prepaid expenses

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

The following types of expenses are recorded as long-term prepaid expense and are amortised to the consolidated income statement over 3 to 5 years:

- Tools and consumables with large value issued into construction and can be used for more than one year; and
- Sample houses.

### 3.11 Business combinations and goodwill

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

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 5-year period on a straight-line basis.

Acquisition of minority interests is accounted for using the parent entity extension method, whereby, the difference between the consideration and the fair value of the share of the net assets acquired is recognised in goodwill.

### 3.12 Investments in associates

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

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over 5-year period. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit/(loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is 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.

## Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

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

### 3.13 Interests in joint ventures

Under the equity method, the Group's interest in the jointly controlled entity is carried in the consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity. The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

The share of profit/(loss) of the jointly controlled entity is presented on 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 jointly controlled entities reduce the carrying amount of the investment.

The financial statements of the jointly controlled entities are prepared for the same reporting year as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

### 3.14 Investments in securities and other investments

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

### 3.15 Payable and accruals

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

### 3.16 Accrual for severance pay

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

### 3.17 Foreign currency transactions

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

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

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

The above guidance related to unrealized foreign exchange differences provided by VAS 10 is different from those stipulated in the Circular 201/2009/TT-BTC issued on 15 October 2009 by the Ministry of Finance providing guidance for the treatment of foreign exchange differences (the “Circular 201”) as follows:

Transaction	Accounting treatments under	
	VAS 10	Circular 201
Translation of short-term monetary assets and liabilities denominated in foreign currencies.  Translation of long-term monetary liabilities denominated in foreign currencies at year end.	All unrealised foreign exchange differences are taken to the consolidated income statement.  All unrealised foreign exchange differences are taken to the consolidated income statement.	All unrealised foreign exchange differences are taken to the “Foreign exchange differences reserve” account in the equity section of the consolidated balance sheet and will be reversed in the following year.  All unrealized foreign exchange gains are taken to the consolidated income statement.  All foreign exchange losses will be charged to the consolidated income statement. However, if the charging of all foreign exchange losses results in net loss before tax for the Company, part of the exchange losses can be deferred and allocated to the consolidated income statement within the subsequent years. In any case, the total foreign exchange loss to be charged to current year’s consolidated income statement must be at least equivalent to the foreign exchange losses arising from the translation of the current portion of the long-term liabilities, while the remaining portion of the foreign exchange losses can be deferred in the consolidated balance sheet and allocated to the consolidated income statement within the subsequent five years.

The impact to the consolidated financial statements had the Group adopted the Circular 201 for the year ended 31 December 2011 would not have been material.

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 3.18 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.

## 3.19 Appropriation of net profit

Net profit after tax is available for appropriation to investors after approval by appropriate level of authority, and after making appropriation to reserve funds in accordance with the Group’s Charter and Vietnamese regulatory requirements.

### Financial reserve fund

Financial reserve fund is appropriated from the Group’s net profit as proposed by the Board of Management and subject to shareholders’ approval at the Annual General Meeting. 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 and force majeure, such as fire, economic and financial turmoil of the country or elsewhere etc.

### Investment and development fund

Investment and development fund is appropriated from the Group’s net profit as proposed by the Board of Management and subject to approval by shareholders at the Annual General Meeting. This fund is set aside for use in the Group’s expansion of its operation or in-depth investments.

### Other funds belonging to owners’ equity

Subsidised funds for operating activities, projects include remuneration schedule fund and operating budget fund.

### Bonus and welfare fund

Bonus and welfare fund is appropriated from the Group’s net profit as proposed by the Board of Management and subject to shareholders’ approval at the Annual General Meeting. This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees’ material and spiritual 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 or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

### Revenue from construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed as certified by customers at the balance sheet date. Variations in contract work and claims are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

### Sale of villas and apartments

For villas and apartments sold after completion of construction, the revenue and associated costs are recognised when the significant risks and rewards of ownership of the villas or apartments have passed to the buyers.

### Sale of residential plots and related infrastructure

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

### Rendering of services

Revenue is recognised when services have been rendered.

### Interest

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



# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 3.21 Taxation

### Current tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the consolidated 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 offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

### Deferred tax

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

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

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

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

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

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

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

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

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

- Either the same taxable entity;
- Or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 3.22 Financial instruments

### Financial instruments – initial recognition and presentation

#### Financial assets

Financial assets within the scope of Circular 210 are classified, for disclosures in the notes to the 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 Company 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, 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 and loans and borrowings.

### Financial instruments – subsequent re-measurement

No subsequent re-measurement of financial instruments is currently required.

### 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.

## 3.23 Bonds

Bonds are treated as short-term or long-term liabilities in the consolidated balance sheet.

## 3.24 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders, before any appropriation to funds, by the weighted average number of ordinary shares outstanding during the year, but adjusted for the effect of bonus shares incurred.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary shareholders before any appropriation to funds by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 4. BUSINESS COMBINATIONS

### 4.1 Acquisition of Nam Khang Corporation

During the year, the Company acquired additional 3,802,500 shares equivalent an additional 23.8% interest of the voting share of Nam Khang Corporation (“Nam Khang”), a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Certificate No. 4103002142 issued by the Department of Planning and Investment of Ho Chi Minh City (“DPI”) on 5 March 2004. This acquisition has increased the Company’s ownership in Nam Khang’s equity from 31.75% to 55.37%.

The estimated fair value of the identifiable assets and liabilities of Nam Khang as at the date of acquisition, 31 March 2011, were:

	VND	
	FAIR VALUE RECOGNIZED ON ACQUISITION	PREVIOUS CARRYING VALUE IN NAM KHANG
<b>Assets</b>		
Cash and cash equivalents	36.021.023.655	36.021.023.655
Trade receivables	93.586.981.264	93.586.981.264
Inventories	216.212.414.413	216.212.414.413
Other current assets	1.649.542.554	1.649.542.554
Fixed assets	10.152.639.670	10.152.639.670
Investment	86.287.780.000	86.287.780.000
Other long-term assets	3.703.014.921	3.703.014.921
	447.613.396.477	447.613.396.477
<b>Liabilities</b>	(201.615.484.172)	(201.615.484.172)
<b>Total identifiable net assets at fair value</b>	<b>245.997.912.305</b>	<b>245.997.912.305</b>
Minority interest	(109.799.895.755)	
Negative goodwill arising on acquisition (Note 31)	(21.574.615.225)	
<b>Purchase consideration transferred</b>	<b>114.623.401.325</b>	

The total consideration of VND 114,623,401,325 was paid in cash amounting to VND 75,045,000,000 and the value of investment in associate of VND 39,578,401,325.

From the date of acquisition, Nam Khang has contributed VND 27,160,633,116 to sales and VND 3,342,349,607 to the net profit before tax of the Group. If the combination had taken place at the beginning of the year, the contribution to sales and the net profit before tax of the Group would have been approximately VND 27,160,633,116 and VND 1,165,820,793 respectively.

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

### 4.2 Acquisition of Nam Long - Mi Pha Co., Ltd.

During the year, the Company invested an additional VND 9,735,495,700 to obtain additional 39.42% ownership interest in Nam Long - Mi Pha Co., Ltd. (“Nam Long – Mi Pha”). This additional investment has increased the Company’s ownership in Nam Long Mi Pha’s equity from 31.17% to 70.59%.

The estimated fair value of the identifiable assets and liabilities of Nam Long – Mi Pha as at the date of acquisition, 30 June 2011, were:

	VND	
	FAIR VALUE RECOGNIZED ON ACQUISITION	PREVIOUS CARRYING VALUE IN NAM LONG – MI PHA
<b>Assets</b>		
Cash and cash equivalents	3.040.317.030	3.040.317.030
Trade receivables	4.312.138.398	4.312.138.398
Inventories	9.128.668.310	9.128.668.310
Other current assets	834.688.450	834.688.450
Other long-term assets	4.999.000	4.999.000
	17.320.811.188	17.320.811.188
<b>Liabilities</b>	(803.894.333)	(803.894.333)
<b>Total identifiable net assets at fair value</b>	<b>16.516.916.855</b>	<b>16.516.916.855</b>
Minority interest	(4.857.916.722)	
Goodwill arising on acquisition (Note 16)	321.504.530	
<b>Purchase consideration transferred</b>	<b>11.980.504.663</b>	

The total consideration of VND 11,980,504,663 was paid in cash amounting to VND 9,735,495,700 and the value of investment in associate of VND 2,245,008,963.

From the date of acquisition, Nam Long – Mi Pha has contributed VND (489,044,145) to the net profit before tax of the Group. If the combination had taken place at the beginning of the year, the contribution to the net profit before tax of the Group would have been approximately VND (861,704,749).



# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

### 4.3 Acquisition of Nam Long – Hong Phat Joint Stock Company

During the year, the Company acquired additional 324,000 shares equivalent an additional 5.39% interest of the voting share of Nam Long Hong Phat Joint Stock Company (“Nam Long HP”), from non-controlling interests. This acquisition has increased the Company’s ownership in Nam Long HP’s equity from 69.86% to 75.25%. Goodwill arising on additional interest is VND 1,323,588,442, details are as follows:

	VND	
	FAIR VALUE RECOGNIZED ON ACQUISITION	PREVIOUS CARRYING VALUE IN NAM LONG – HONG PHAT
<b>Assets</b>		
Cash and cash equivalents	1.411.430.502	1.411.430.502
Trade receivables	1.722.588.600	1.722.588.600
Inventories	73.762.516.110	73.762.516.110
Other current assets	6.445.783	6.445.783
	76.902.980.995	76.902.980.995
<b>Liabilities</b>		
	(17.184.881.256)	(17.184.881.256)
<b>Total identifiable net assets at fair value</b>	<b>59.718.099.739</b>	<b>59.718.099.739</b>
The Company’s share – 5.39%	3.224.777.386	
Goodwill arising on acquisition <i>(Note 16)</i>	1.323.588.442	
<b>Purchase consideration transferred</b>	<b>4.548.365.828</b>	

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 5. CASH AND CASH EQUIVALENTS

	VND	
	ENDING BALANCE	BEGINNING BALANCE
Cash on hand	3,232,761,855	1.964.709.217
Cash in banks	25,535,081,687	148.540.402.677
Cash equivalents	112,849,953,727	55.700.000.000
<b>TOTAL</b>	<b>141.617.797.269</b>	<b>206.205.111.894</b>

Cash equivalents comprise bank deposits with maturity dates that are less than three months at the rate of 6% - 14% per annum.

## 6. TRADE RECEIVABLES

	VND	
	ENDING BALANCE	BEGINNING BALANCE
Receivable from sale of apartments	82.274.212.570	84.323.287.972
Trade receivables - related parties <i>(Note 33)</i>	15.364.669.599	7.912.672
<b>TOTAL</b>	<b>97.638.882.169</b>	<b>84.331.200.644</b>

## 7. ADVANCES TO SUPPLIERS

	VND	
	ENDING BALANCE	BEGINNING BALANCE
Advances to subcontractors - third parties	33.050.200.127	28.990.995.124
Advances for acquisition of land and real estate projects	20.194.711.967	160.153.240.796
Advances to subcontractors - related parties	-	99.400.000
<b>TOTAL</b>	<b>53.244.912.094</b>	<b>189.243.635.920</b>

## 8. OTHER RECEIVABLES

	VND	
	ENDING BALANCE	BEGINNING BALANCE
Advance CIT payable on progress payments from customers	8.339.671.095	9.142.698.000
Value Added Tax receivable	9.006.437.049	113.650.401
Other receivables from related parties <i>(Note 33)</i>	6.107.228.751	-
Register fee paid on behalf customers	729.188.342	635.716.542
Advance to members of the Board of Directors	-	3.199.298.948
Other receivables	4.326.445.695	2.733.637.559
<b>TOTAL</b>	<b>28.508.970.932</b>	<b>15.825.001.450</b>

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# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 9. INVENTORIES

VND

	ENDING BALANCE	BEGINNING BALANCE
Work in progress (i)	1.976.803.538.561	1.342.346.318.826
Finished goods	82.018.468.273	68.415.989.492
Materials	176.786.675	278.349.981
Tools and supplies	-	6.818.000
<b>TOTAL</b>	<b>2.058.998.793.509</b>	<b>1.411.047.476.299</b>

### (i) Work in progress includes:

Long An Project (a) (c)	1.023.002.643.093	417.029.693.827
Nguyen Son’s Project	258.282.748.614	216.315.577.000
Tan Thuan Dong Project (b) (c)	148.003.286.788	16.909.720.111
Tien Hung Project	140.413.317.405	174.878.283.000
Binh Duong Project (c)	128.319.683.390	84.985.116.832
Can Tho Project (b)	116.078.384.432	88.784.636.825
8C Residential Areas	78.305.714.212	55.460.633.320
Phuoc Long B Project – Extension (b) (c)	39.239.650.918	72.289.926.249
Phuoc Long B Project – High Rise	11.724.979.409	11.670.605.445
Long Thanh My Project (c)	11.564.924.372	11.432.390.093
Nhon Trach Project	10.700.694.166	10.692.194.166
Ehome - 2	-	179.551.523.000
Others	11.167.511.762	2.346.018.958
<b>TOTAL</b>	<b>1.976.803.538.561</b>	<b>1.342.346.318.826</b>

- (a) During the year, the Company received VND’000 15,473,982 from the resettlers who purchased land lots at the resettlement area of Long An Project. The selling prices were predetermined by the People Committee of Long An Province which are ranging from VND’000 200 to VND’000 1,300 per square meters and are significantly lower than the market price of the land lots in the same condition. Management considers these cash collections from sales to resettlers as part of recovery of land compensation costs for project development and therefore such amount received was offset against the project costs incurred.
- (b) The land use right of Tan Thuan Dong Project, Can Tho Project and Phuoc Long B Project including the associated land have been mortgaged to secure the Company’s outstanding borrowings (Note 17.1).
- (c) During the year, the Group capitalised interest amounting to VND’000 40,998,464 to work in progress. These costs incurred on the bank loans were used to finance apartment, villa projects and acquisition of land for development for the Long An, Tan Thuan Dong, Binh Duong, Phuoc Long B – Extension and Long Thanh My projects.

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

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## 10. TANGIBLE FIXED ASSETS

VND

	BUILDINGS AND STRUCTURES	MACHINERY AND EQUIPMENT	MOTOR VEHICLES	OFFICE EQUIPMENT AND FURNITURE	OTHER ASSETS	TOTAL
<b>Cost</b>						
Beginning balance	36.220.319.569	1.377.743.292	2.584.729.041	3.188.858.832	1.025.323.196	44.396.973.930
Newly purchased	266.539.824	233.261.136	1.384.432.129	806.155.207	103.138.182	2.793.526.478
Additions from acquisition of subsidiaries	5.090.134.880	4.512.370.302	2.112.470.818	486.470.226	-	12.201.446.226
Transferred to investment properties	(3.493.952.188)	-	-	-	-	(3.493.952.188)
Disposed	-	(18.571.429)	-	-	-	(18.571.429)
Ending balance	38.083.042.085	6.104.803.301	6.081.631.988	4.481.484.265	1.128.461.378	55.879.423.017
<b>Accumulated depreciation</b>						
Beginning balance	(2.417.014.197)	(681.307.830)	(1.329.403.543)	(1.911.014.714)	(376.361.290)	(6.715.101.574)
Depreciation for the year	(1.945.365.167)	(835.963.054)	(675.871.590)	(616.318.775)	(231.578.853)	(4.305.097.439)
Additions from acquisition of subsidiaries	(1.040.503.996)	(808.055.742)	(31.501.985)	(307.492.523)	-	(2.187.554.246)
Transferred to investment properties	378.889.292	-	-	-	-	378.889.292
Disposed	-	11.761.891	-	-	-	11.761.891
Ending balance	(5.023.994.068)	(2.313.564.735)	(2.036.777.118)	(2.834.826.012)	(607.940.143)	(12.817.102.076)
<b>Net carrying amount</b>						
Beginning balance	33.803.305.372	696.435.462	1.255.325.498	1.277.844.118	648.961.906	37.681.872.356
Ending balance	33.059.048.017	3.791.238.566	4.044.854.870	1.646.658.253	520.521.235	43.062.320.941
In which:						
Pledged/mortgaged as loan security (Note 17.1)	27.847.266.780	-	-	-	-	27.847.266.780



# Notes to the consolidated financial statements

## (continued)

as at and for the year ended 31 December 2011

### 11. INTANGIBLE ASSETS

	LAND USE RIGHTS	COMPUTER SOFTWARE	TRADEMARK LICENSE	OTHERS	TOTAL
VND					
<b>Cost</b>					
Beginning balance	8.231.759.441	2.259.251.428	4.000.000.000	184.870.000	14.675.880.869
Newly purchased	-	92.154.700	-	-	92.154.700
Transferred from investment properties	187.090.774	-	-	-	187.090.774
Additions from acquisition of subsidiaries	1.780.570.211	-	-	-	1.780.570.211
Transferred to investment properties	(805.369.699)	-	-	-	(805.369.699)
Transferred to long-term prepaid expense	-	-	(4.000.000.000)	-	(4.000.000.000)
Ending balance	9.394.050.727	2.351.406.128	-	184.870.000	11.930.326.855
<b>Accumulated amortisation</b>					
Beginning balance	(239.628.133)	(791.409.093)	(2.133.333.332)	(71.893.881)	(3.236.264.439)
Amortization for the year	(172.267.445)	(457.390.602)	(200.000.001)	(61.623.333)	(891.281.381)
Transferred to long-term prepaid expense	41.410.835	-	-	-	41.410.835
Transferred to IP	-	-	2.333.333.333	-	2.333.333.333
Ending balance	(370.484.743)	(1.248.799.695)	-	(133.517.214)	(1.752.801.652)
<b>Net carrying amount</b>					
Beginning balance	7.992.131.308	1.467.842.335	1.866.666.668	112.976.119	11.439.616.430
Ending balance	9.023.565.984	1.102.606.433	-	51.352.786	10.177.525.203
In which:					
Pledged/mortgaged as loan security (Note 17.1)	6.961.251.803	-	-	-	6.961.251.803

## Notes to the consolidated financial statements

### (continued)

as at and for the year ended 31 December 2011

### 12. INVESTMENT PROPERTIES

	LAND USE RIGHTS	BUILDING STRUCTURE	TOTAL
VND			
<b>Cost</b>			
Beginning balance	24.196.602.891	103.165.642.341	127.362.245.232
Newly purchase	690.970.283	-	690.970.283
Transferred from fixed assets	805.369.699	3.493.952.188	4.299.321.887
Transferred to fixed assets	(187.090.774)	-	(187.090.774)
Disposed	(7.410.212.432)	(32.147.879.381)	(39.558.091.813)
Ending balance	18.095.639.667	74.511.715.148	92.607.354.815
<b>Accumulated depreciation and amortisation</b>			
Beginning balance	(711.283.162)	(7.664.925.712)	(8.376.208.874)
Depreciation and amortisation for the year	(420.363.249)	(4.089.725.693)	(4.510.088.942)
Transferred to fixed assets	(41.410.840)	(378.889.292)	(420.300.132)
Disposed	290.904.598	2.661.636.550	2.952.541.148
Ending balance	(882.152.653)	(9.471.904.147)	(10.354.056.800)
<b>Net carrying amount</b>			
Beginning balance	23.485.319.729	95.500.716.629	118.986.036.358
Ending balance	17.213.487.014	65.039.811.001	82.253.298.015
In which:			
Pledged/mortgaged as loan security (Note 24)	17.213.486.913	65.039.811.102	82.253.298.015

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# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 12. INVESTMENT PROPERTIES (continued)

Additional disclosures:

The rental income and operating expenses relating to investment properties is presented as below:

	CURRENT YEAR	PREVIOUS YEAR
Rental income from investment properties	15.275.430.194	5.497.640.000
Direct operating expenses of investment properties that generated rental income during the year	(17.961.422.097)	(5.118.171.000)

The future annual rental receivable under the operating leases is included in *Note 34*.

The fair value of the investment properties had not yet been formally assessed and determined as at 31 December 2011. However, given the general condition of the real estate market in Vietnam, management believes that these properties’ market values are much higher than their carrying values as at the balance sheet date.

## 13. INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY

	ENDING BALANCE	BEGINNING BALANCE
Investments in associates ( <i>Note 13.1</i> )	4.190.409.000	49.785.702.610
Investment in jointly controlled entities ( <i>Note 13.2</i> )	168.687.272.564	43.543.659.080
TOTAL	172.877.681.564	93.329.361.690

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 13. INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY (continued)

NAME OF ASSOCIATE	BUSINESS ACTIVITIES	ENDING BALANCE				BEGINNING BALANCE			
		NUMBER OF SHARES	% HOLDING	COSTS OF INVESTMENT (VND)	CARRYING VALUE (VND)	NUMBER OF SHARES	% HOLDING	COSTS OF INVESTMENT (VND)	CARRYING VALUE (VND)
13.1 INVESTMENTS IN ASSOCIATES									
Viet Han Co., Ltd	Service	404,200	25	4,042,000,000	4,190,409,000	404,200	25	4,042,000,000	4,126,909,096
Nam Khang Corporation (*)	Construction	–	–	–	–	2,619,900	31,57	42,879,750,000	43,359,870,808
Nam Long - Mi Pha Co., Ltd. (*)	Construction	–	–	–	–	226,450	31,17	2,264,504,000	2,298,922,706
TOTAL				4,042,000,000	4,190,409,000			49,186,254,000	49,785,702,610
VND									

(\*) During the year, the Company made additional investments in Nam Khang Corporation and Nam Long – Mipha Co., Ltd. to obtain control over these entities (*Note 4*).

13.2 INVESTMENTS IN JOINTLY CONTROLLED ENTITY							
Gamuda – Nam Long Development Limited Liability Company	Real estate		30	22.400.000.000	33.903.272.564		30
ASPL PLB – Nam Long Limited Liability Company	Construction and real estate		45	134.784.000.000	134.784.000.000		-
TOTAL				157.184.000.000	168.687.272.564	22.400.000.000	43.543.659.080



Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

13.2 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

The Company has a 30% interest in the assets, liabilities, revenue and expenses and output of Gamuda – Nam Long Development Limited Liability Company, which is engaged in development and sale of apartments in Ho Chi Minh City, Vietnam.

The Company has a 45% interest in the assets, liabilities, revenue and expenses and output of ASPL PLB – Nam Long Limited Liability Company, which is engaged in development and sale of apartments in Ho Chi Minh City, Vietnam.

14. OTHER LONG-TERM INVESTMENTS

VND		
LONG-TERM INVESTMENTS	ENDING BALANCE	BEGINNING BALANCE
INVESTMENTS IN OTHER COMPANIES (i)		
Phan Vu - Dong Nai Production Joint Stock Company	6.710.580.000	6.710.580.000
South – Central – North Home Development Joint Stock Company	3.533.300.000	2.000.000.000
Nam Viet Finance Investment Corporation	2.250.000.000	-
3D Joint Stock Company	-	7.490.294.000
INVESTMENTS IN BUSINESS COOPERATION CONTRACTS (“BCC”)		
Phu Huu Project (ii)	51.049.674.532	48.304.074.532
9B7 Project (iii)	32.339.569.159	28.873.604.850
Tan Thuan Dong Project	1.392.889.780	1.392.889.780
Phuoc Long B Project	279.967.000	279.967.000
Long An Project (iv)	-	138.277.237.689
Ho Tram Project	-	8.279.113.112
TOTAL	97.555.980.471	241.607.760.963

- (i) This represents long-term investments in common shares of unlisted entities where the Company does not have significant influence or control.

The Company has invested in certain BCCs for real estate development projects, where it does not play the role of project manager, as follows:
- (ii) The Company has signed a BCC with Nam Phan Joint Stock Company to develop an apartment building on an area of 169,419 square meters in District 9, Ho Chi Minh City. Under BCC, the Company has 40% interest. During the year, the Company capitalised interest amounting to VND 2,745,600,000 financed by loans from individuals.
- (iii) The Company has signed a BCC with 21 Century Joint Stock Company to develop Lot 9B-7 Residential Area on an area of 59,000 square meters in Nam Sai Gon Urban Area. Under BCC, the Company has 45% interest.
- (iv) During the year, the Company acquired additional interest of the voting share of Nam Khang Corporation (“Nam Khang”) and gained the control and this project cost had been transferred to inventories.

Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

15. LONG-TERM PREPAID EXPENSES

VND		
	ENDING BALANCE	BEGINNING BALANCE
Office renovation expense	9.372.425.521	10.779.286.402
Tools and supplies	1.894.651.130	1.441.100.239
professional service fees	1.379.484.955	1.094.100.208
Trademark license	1.066.666.668	-
Prepaid operating expenses	3.476.425.831	1.217.280.924
Others	285.537.034	1.067.443.959
TOTAL	17.475.191.139	15.599.211.732

16. GOODWILL

The movement in goodwill during the year are as follows:

VND					
	NGUYEN SON	NAM LONG - HONG PHAT	NAM LONG ADC	NAM LONG - MI PHA	TOTAL
Cost					
Beginning balance	7.747.953.947	1.012.500.000	5.844.040.542	-	14.604.494.489
Arisen from acquisition (Note 4)	-	1.323.588.442	-	321.504.530	1.645.092.972
Ending balance	7.747.953.947	2.336.088.442	5.844.040.542	321.504.530	16.249.587.461
Accumulated amortisation					
Beginning balance	3.099.181.523	810.000.000	1.431.021.581	-	5.340.203.104
Amortization for the year	1.549.590.761	334.858.844	1.168.808.109	32.150.592	3.085.408.306
Ending balance	4.648.772.284	1.144.858.844	2.599.829.690	32.150.592	8.425.611.410
Net carrying amount					
Beginning balance	4.648.772.424	202.500.000	4.413.018.961	-	9.264.291.385
Ending balance	3.099.181.663	1.191.229.598	3.244.210.852	289.353.938	7.823.976.051

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

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## 17. SHORT-TERM LOANS AND BORROWINGS

VND		
LENDERS	ENDING BALANCE	BEGINNING BALANCE
Short-term loans		
Loans payable to banks (Note 17.1)	184.933.884.663	124.700.000.000
Bonds issued (i)	50.000.000.000	-
Loans from individuals (Note 17.2)	47.160.000.000	17.160.000.000
Loans payable to related parties	-	37.864.000.000
	282.093.884.663	179.724.000.000
Current portion of long-term bank loans (Note 24)	13.321.033.184	16.117.324.416
TOTAL	295.414.917.847	195.841.324.416

(i) On 31 August 2011, the Group issued 5,000 non-convertible bonds to Housing Development Bank with par value of VND 10,000,000 per bond at interest rate of 26% per annum paid on maturity. The bonds will expire on 30 August 2012, and are used for working capital of Vam Co Dong project in Long An province.

## Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

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### 17.1 Short-term loans from banks

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

BANKS	ENDING BALANCE	DUE DATE	INTEREST RATE (%/ P.A.)	DESCRIPTION OF COLLATERAL	VND
HOUSING BANK DEVELOPMENT					
Loan Agreement No. 0144/11 dated 27 April 2011	91.644.000.000	12 months from the date of drawdown (starting from 27 April 2011)	23.5%	106 Land use rights in Hung Thanh Ward, Cai Rang District, Can Tho City and land use rights and the attached assets located at No. 73-75 Tran Trong Cung Street, Tan Thuan Dong Ward, District 7, HCMC (Notes 8 and 12)	
AGRIBANK - BRANCH 8					
Loan Agreement No. 1702-LAV-200701028 dated 29 October 2008	39.000.000.000	12 months from the date of drawdown (starting from 1 Apr 2011)	19%	Land use rights in Phuoc Long B Ward, District 9, land use rights in Tan Thuan Dong Ward, District 7, HCMC (Note 8)	
KIEN LONG BANK					
Agreement No. 1945523/11 dated 1 August 2011	33.219.000.000	12 months from the date of drawdown (starting from 11 August 2011)	24%	Land use rights in Vinh Phu Ward, Thuan An District, Binh Duong Province (Note 8)	
AGRIBANK, HO CHI MINH CITY BRANCH					
Loan agreement No. 1702-LAV-20110 1128 dated 22 November 2011	19.070.884.663	Repayment within 12 months of each debit note (starting from 22 November 2011)	19%	Land use rights at 147 – 149 Tran Trong Cung, Tan Thuan Dong Ward, District 7, and 57 land lots in Vam Co Dong Residential area	
SACOMBANK, HO CHI MINH CITY BRANCH					
Loan agreement No. LD1127300029 dated 30 September 2011	2.000.000.000	12 months from the date of drawdown (30 September 2011)	21%	Land use rights of the building at 5 Einstein street, Binh Tho Ward, Thu Duc District, (General Director's asset)	
TOTAL	184.933.884.663				



# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 17.2 Short-term loans from individuals

	ENDING BALANCE	BEGINNING BALANCE
Individual loans for Phu Huu Project (i)	17.160.000.000	17.160.000.000
Other individual loans (ii) - related party (Note 33)	15.000.000.000	-
Other individual loans (ii)	15.000.000.000	-
<b>TOTAL</b>	<b>47.160.000.000</b>	<b>17.160.000.000</b>

(i) Short term loans from individuals for Phu Huu Project represent the unsecured and 16% per annum interest bearing loan obtained from investors who want to buy the residential plots in Phu Huu Project. The amount will be off-set with cash payments for land lots purchased upon completion of the project which is expected in 2012.

(ii) Other individual loans represent the unsecured and 22% per annum interest bearing loan to support the Company's working capital needs. The loan period is from 4 November 2011 to 9 May 2012.

## 18. TRADE PAYABLES

	ENDING BALANCE	BEGINNING BALANCE
Payables to third parties	69.750.536.973	18.355.210.449
Payables to a related party (Note 33)	3.165.600.000	73.516.866.000
<b>TOTAL</b>	<b>72.916.136.973</b>	<b>91.872.076.449</b>

## 19. ADVANCES FROM CUSTOMERS

	ENDING BALANCE	BEGINNING BALANCE
Payables to third parties	369.620.506.471	498.179.429.258
Payables to a related party (Note 33)	138.678.918	3.443.292.762
<b>TOTAL</b>	<b>369.759.185.389</b>	<b>501.622.722.020</b>

(i) Advances from third parties represent advances from customers for apartments, villas and land purchases.

## 20. STATUTORY OBLIGATIONS

	ENDING BALANCE	BEGINNING BALANCE
Corporate income tax (Note 32)	96.539.851.579	8.688.726.229
Personal income tax	1.883.633.485	1.612.665.000
Value-added tax payable	12.373.665.176	881.542.000
Foreign contractor tax	46.270.948	39.499.783
Others	157.722.630	-
<b>TOTAL</b>	<b>111.001.143.818</b>	<b>11.222.433.012</b>

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 21. ACCRUED EXPENSES

	ENDING BALANCE	BEGINNING BALANCE
Subcontractor construction costs	29.518.061.691	26.409.864.000
Warranty and maintenance expense	28.962.509.597	18.416.357.564
Accrual for interest expenses – third parties	21.946.682.094	1.008.718.249
Accrual for interest expenses – related parties (Note 33)	2.676.825.000	-
Others	39.716.312.955	2.717.740.923
<b>TOTAL</b>	<b>122.820.391.337</b>	<b>48.552.680.736</b>

## 22. OTHER PAYABLES

	ENDING BALANCE	BEGINNING BALANCE
Unearned revenues (i)	111.071.460.611	63.845.962.514
Payable to BCC investors - third parties (ii)	22.643.333.000	6.600.000.000
Payable to Gamuda - Nam Long Limited Liability Company (Note 33)	16.797.300.000	16.797.300.000
Dividends payable to shareholders	16.419.192.400	16.497.314.400
Land received from individuals for project development	4.875.600.000	4.875.600.000
Due to equity owner's	-	25.232.760.000
Payable to BCC investors - related parties	-	5.671.000.000
Share of profits payable to BCC investors	-	3.381.595.610
Due to related party	-	1.200.000.000
Interest payables for Phu Huu project	490.320.000	869.993.425
Deposits received	296.650.000	746.160.000
Others	7.610.946.803	2.137.309.843
<b>TOTAL</b>	<b>180.204.802.814</b>	<b>147.854.995.792</b>

(i) Current year balance represents the value of part of land use right and infrastructure in Phuoc Long B Project which the Company used as capital contribution to and sale to ASPL-PLB Nam Long Co., Ltd., proportionate to the ownership of the Company in the joint venture.

(ii) This represents payable to BCC investors for money received for the BCC projects.

## 23. OTHER LONG-TERM PAYABLES

	ENDING BALANCE	BEGINNING BALANCE
Deposit for rental office – third parties	6.069.805.765	3.353.109.887
Deposit for rental office – related party	101.261.240	-
<b>TOTAL</b>	<b>6.171.067.005</b>	<b>3.353.109.887</b>

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# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 24. LONG-TERM LOANS

	ENDING BALANCE	BEGINNING BALANCE
Loan from banks (i)	53.928.278.162	72.529.969.077
Loan from issue bonds (ii)	110.640.000.000	-
Loan from issue bonds (ii) – related parties	21.500.000.000	-
In which:		
Current portion (Note 17)	13.321.033.184	16.117.324.416
Non – current portion	172.747.244.978	56.412.644.661
TOTAL	186.068.278.162	72.529.969.077

(i) Long-term loans represents loan from Indovina Bank, Ho Chi Minh City Branch and Viet A Bank, Ho Chi Minh City Branch with details as follows:

LENDER	ENDING BALANCE	TERMS AND MATURITY DATE	INTEREST RATE	DESCRIPTION OF COLLATERAL (NOTES 11 AND 12)
INDOVINA BANK, HO CHI MINH BRANCH				
Loan agreement No. 10713/IVB/CAD, dated 19 April 2008	48.728.278.162	Quarterly repayment on instalment to 19 May 2015	0.96% per month and revised each 6-months period by interest rate of 6-months deposit plus 0.19% per month	Land used right and of- fice building (Nam Long Capital Tower) of 1,404 square meters located at Nguyen Khac Vien St, Tan Phu Ward, District 7, Ho Chi Minh City
VIET A BANK, HO CHI MINH CITY BRANCH				
Loan agreement No. 894/09/HĐTH-VAB dated 5 November 2009	5.200.000.000	Repayment within 36 months from 12 November 2009	21.5% per annum and revised each 6-months period	3,450,000 shares in Nam Long Apartment Development Corporation
TOTAL	53.928.278.162			

(ii) On 15 July 2011, the Company issued 14,014 non-convertible bonds with warrants to individuals and corporations at par value of VND 10,000,000/bond, at interest rate of 27% per annum and semi-annually paid, of which 800 bonds were issued to subsidiaries and was eliminated on the consolidated financial statements. The warrants give the investors the privilege to buy the Company’s shares when its goes IPO with the number of shares calculated as follows:

The number of shares = Par value of the bond x number of bonds / IPO price

## 25. BONUS AND WELFARE FUND

	CURRENT YEAR	PREVIOUS YEAR
Beginning balance	13.901.785.509	12.464.008.477
Fund appropriation	15.756.105.319	12.803.594.034
Transferred from subsidiaries	2.276.901.880	-
Fund utilisation	(16.493.555.671)	(11.365.817.002)
ENDING BALANCE	15.441.237.037	13.901.785.509

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 26. SHAREHOLDERS’ EQUITY

### 26.1 Increase and decrease in shareholders’ equity

	SHAREHOLDERS’ CAPITAL	SHARE PREMIUM	TREASURY SHARE	INVESTMENT AND DEVELOPMENT FUND	FINANCIAL RESERVE FUND	OTHER FUNDS BELONGING TO OWNERS’ EQUITY	UNDISTRIBUTED EARNINGS	TOTAL
PREVIOUS YEAR								
Beginning balance	255.083.270.000	394.617.810.650	-	37.318.310	6.600.093.848	3.546.003.289	223.595.442.492	883.479.938.589
Issuance of new shares paid in cash	27.855.090.000	140.056.621.221	-	-	-	-	-	167.911.711.221
Bonus share	127.541.450.000	-	-	-	-	-	(127.541.450.000)	-
Profit after tax	-	-	-	-	-	-	186.633.062.457	186.633.062.457
Dividends declared and paid	-	-	-	-	-	-	(32.838.392.000)	(32.838.392.000)
Funds appropriation	-	-	-	42.102.947	157.374.933	717.380.889	(13.720.452.803)	(12.803.594.034)
Utilisation of funds	-	-	-	(29.300.000)	-	(2.561.722.249)	-	(2.591.022.249)
Ending balance	410.479.810.000	534.674.431.871	-	50.121.257	6.757.468.781	1.701.661.929	236.128.210.146	1.189.791.703.984
CURRENT YEAR								
Beginning balance	410.479.810.000	534.674.431.871	-	50.121.257	6.757.468.781	1.701.661.929	236.128.210.146	1.189.791.703.984
Bonus share	205.239.660.000	(102.619.830.000)	-	-	-	-	(102.619.830.000)	-
Profit after tax	-	-	-	-	-	-	107.201.923.431	107.201.923.431
Treasury shares	-	-	(18.359.590.000)	-	-	-	-	(18.359.590.000)
Dividends declared and paid	-	-	-	-	-	-	(32.838.384.800)	(32.838.384.800)
Funds appropriation	-	-	-	978.767.790	315.353.815	2.729.691.511	(19.779.918.435)	(15.756.105.319)
Utilisation of funds	-	-	-	(50.121.257)	-	(374.237.783)	-	(424.359.040)
Ending balance	615.719.470.000	432.054.601.871	-	978.767.790	7.072.822.596	4.057.115.657	188.092.000.342	1.229.615.188.256



# Notes to the consolidated financial statements (continued)

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## 26.2 Shares

	ENDING BALANCE		BEGINNING BALANCE	
	QUANTITY	VND	QUANTITY	VND
Authorized shares (i)	48.262.491	482.624.910.000	48.262.491	482.624.910.000
Issued shares				
Issued and paid-up shares	61.571.947	615.719.470.000	48.262.491	482.624.910.000
Ordinary shares	61.571.947	615.719.470.000	41.047.981	410.479.810.000
Preference shares	-	-	-	-
Treasury shares				
Held by subsidiaries	1.803.081	18.359.590.000	-	-
Ordinary shares	1.803.081	18.359.590.000	-	-
Preference shares	-	-	-	-
Shares in circulationv				
Ordinary shares	59.768.866	597.359.880.000	41.047.981	410.479.810.000
Preference shares	-	-	-	-

(i) On 13 March 2012, the Company was granted the ninth amended business registration certificate by the Ho Chi Minh City Department of Planning and Investment, approving the increase of the Company’s charter capital from VND’000 482,624,910 to VND’000 615,719,470.

## 26.3 Dividends

	CURRENT YEAR	PREVIOUS YEAR
Dividends declared during the financial reporting year	32.838.384.800	32.838.392.000
Dividends on ordinary shares		
First dividends for 2011: VND 400 per share (2010: VND 400 per share)	16.419.192.400	16.419.196.000
Second dividends for 2010: VND 400 per share (2009: VND 400 per share)	16.419.192.400	16.419.196.000

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 26.4 Basic and diluted earnings per share

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary shareholders, before any appropriation to bonus and welfare fund and other funds, by the weighted average number of ordinary shares outstanding during the year. There have been no dilutive potential ordinary shares during the year and up to the date of these separate financial statements.

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

	CURRENT YEAR	PREVIOUS YEAR (*)
Amount attributable to the Company’s shareholders	107.201.923.431	186.633.062.457
Average number of ordinary shares during the year	60.504.918	59.717.485
Basic earnings per share	1.772	3.125
(par value: VND 10,000/share)		

(\*) The weighted average number of shares for the year 2010 was adjusted to reflect the 20,523,966 bonus shares issued during the year 2011 from undistributed earnings and share premium.

## 27. MINORITY INTERESTS

	VND
As at 31 December 2011	
Contributed charter capital	235.083.085.824
Share premium	37.654.307.342
Treasury shares	(656.280.000)
Investment and development fund	3.928.475.090
Financial reserve fund	469.807.534
Other funds belonging to owner’s equity	1.465.124.583
Undistributed earnings	4.957.645.195
	282.902.165.568
For the year ended 31 December 2011	
Share of post acquisition profit for the year ended 31 December 2011	29.970.560.478
	29.970.560.478

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 28. REVENUES

### 28.1 Revenues from sale of goods and rendering of services

	VND	
	CURRENT YEAR	PREVIOUS YEAR
Gross revenues	734.645.825.654	839.858.195.947
Of which:		
Revenue from sale of goods	667.879.312.275	821.849.504.571
Revenue from construction	36.863.680.787	-
Revenue from investment properties	17.432.802.197	5.571.539.240
Revenue from rendering of services	11.955.619.456	12.437.152.136
Others	514.410.939	-
Less		
Sales rebates	(642.307.508)	(73.899.411)
Net revenues	734.003.518.146	839.784.296.536
Of which:		
Revenue from sale of goods	667.237.004.767	821.849.504.571
Revenue from construction	36.863.680.787	-
Revenue from investment properties	17.432.802.197	5.497.639.829
Revenue from rendering of services	11.955.619.456	12.437.152.136
Others	514.410.939	-

### 28.2 Income from finance activities

	VND	
	CURRENT YEAR	PREVIOUS YEAR
Interest income	13.716.262.108	13.788.318.000
Gain from disposal of investment in 3D Joint Stock Company	3.783.522.451	-
Dividends	152.167.500	1.035.686.335
Unrealised foreign exchange gain	-	1.136.000.000
Others	-	38.639.067
TOTAL	17.651.952.059	15.998.643.402

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 29. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	CURRENT YEAR	PREVIOUS YEAR
Cost of land, villas and apartments sold	415.307.719.163	477.695.190.955
Cost of construction	27.229.725.776	-
Operating costs of investment property	10.076.098.765	5.118.170.842
Cost of services rendered	6.612.300.958	7.542.337.543
Others	214.275.885	-
TOTAL	459.440.120.547	490.355.699.340

## 30. EXPENSES FROM FINANCE ACTIVITIES

	VND	
	CURRENT YEAR	PREVIOUS YEAR
Interest expense on bonds issued and bank loans	22.151.356.317	17.041.347.221
Realised foreign exchange loss	5.119.997.180	-
Unrealised foreign exchange loss	374.295.709	-
Share of profits to BCC investors	-	5.146.448.624
Payment discount	-	2.600.000.000
Losses from disposal of investment	-	185.178.000
Others	1.176.371.051	51.332.173
TOTAL	28.822.020.257	25.024.306.018



Notes to the consolidated financial statements  
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as at and for the year ended 31 December 2011

31. OTHER INCOME AND EXPENSES

	VND	
	CURRENT YEAR	PREVIOUS YEAR
<b>Other income</b>	<b>89.253.852.769</b>	<b>9.715.661.093</b>
Gain from investment in ASPL-PLB Nam Long Co., Ltd.	62.619.421.463	-
Negative goodwill	21.574.615.225	6.010.227.208
Penalties received from contract violation	1.231.622.018	1.109.267.799
Income from management of apartment	-	935.150.521
Others	3.828.194.063	1.661.015.565
<b>Other expenses</b>	<b>(1.310.930.699)</b>	<b>(1.911.665.449)</b>
Others	(1.310.930.699)	(1.911.665.449)
<b>OTHER PROFIT</b>	<b>87.942.922.070</b>	<b>7.803.995.644</b>

32. CORPORATE INCOME TAX

The statutory enterprise income tax ("CIT") rate applicable to the Group is 25% of taxable profits.

The tax returns filed by Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

32.1 CIT expense

	VND	
	CURRENT YEAR	PREVIOUS YEAR
Estimated current CIT (Note 32.2)	99.537.680.038	58.667.782.009
Deferred CIT expense (benefit) (Note 32.3)	(43.429.829.605)	5.529.318.494
<b>TOTAL</b>	<b>56.107.850.433</b>	<b>64.197.100.503</b>

Notes to the consolidated financial statements  
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as at and for the year ended 31 December 2011

32.2 Current corporate income tax

	VND	
	CURRENT YEAR	PREVIOUS YEAR
<b>Profit before tax</b>	<b>193.280.334.342</b>	<b>245.916.201.866</b>
<b>Adjustments to increase (decrease) accounting profit</b>		
<b>Adjustments to increase</b>		
Intra-group unrealised profit	160.877.709.416	1.810.718.302
Expenses with inadequate supporting documents	25.013.669.247	3.971.957.702
Temporary difference of Long An 36ha project	21.558.866.698	-
Non deductible interest expense	13.026.207.338	5.984.320.267
Losses of subsidiaries	6.382.277.631	10.845.587.079
Temporary difference in interest expenses	3.132.641.692	-
Goodwill amortisation	3.085.408.167	2.739.579.942
Temporary difference in cost of sales	2.980.424.798	1.334.951.854
Severance allowance	1.013.533.110	1.961.304.787
Interest income	488.445.643	3.067.908.980
Dividend received	-	(4.490.235.542)
Share of profits to BCC investors	-	5.146.448.624
<b>Adjustments to decrease</b>		
Negative goodwill	(21.729.506.942)	(6.010.227.208)
Accrued expenses	(8.523.854.273)	8.624.345.455
Deferred tax loss	(2.355.000.000)	(38.127.993.263)
Share of profit in associates	(1.826.930.332)	(6.850.019.531)
Unrealised foreign exchange gain	-	(1.136.000.000)
Others	(5.765.767.508)	-
<b>Adjusted profit before loss carried forward and tax</b>	<b>390.638.459.027</b>	<b>234.788.849.314</b>
Tax loss carried forward	-	(117.721.278)
<b>Estimated current taxable profit</b>	<b>390.638.459.027</b>	<b>234.671.128.036</b>
Current CIT	97.659.614.757	58.667.782.009
Corporate income tax reduction	(949.470.398)	-
Under provision of CIT from previous years	2.827.535.679	-
<b>Estimated current CIT</b>	<b>99.537.680.038</b>	<b>58.667.782.009</b>
CIT payable at beginning of year	8.688.726.229	44.150.443.584
Transferred from subsidiaries	16.313.827.859	-
Advance CIT payable on progress payments from customers (*)	(2.593.780.157)	5.387.312.268
CIT paid during the year	(25.406.602.390)	(99.516.811.632)
<b>CIT payable at end of year</b>	<b>96.539.851.579</b>	<b>8.688.726.229</b>

(\*) This represents advance CIT payable computed at 2% of cash advances received from customers in connection with sales of apartments during the current and in previous years in accordance with Circular No. 130/2008/TT-BTC dated 26 December 2008 issued by the Ministry of Finance.

Notes to the consolidated financial statements  
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as at and for the year ended 31 December 2011

32.3 Deferred corporate income tax

The following comprise the Group’s deferred tax assets and the movements thereon, during the year and the previous year.

	BALANCE SHEET		CREDIT (CHARGE) TO INCOME STATEMENT	
	ENDING BALANCE	BEGINING BALANCE	CURRENT YEAR	PREVIOUS YEAR
<b>Deferred tax assets on</b>				
Intra-group unrealised profit	40.672.107.354	452.680.000	40.219.427.354	(726.082.000)
Accrued expense	12.786.003.012	8.359.586.180	4.426.416.832	2.159.913.077
Tax losses of subsidiaries	2.675.338.352	4.266.645.246	(1.591.306.894)	1.995.808.246
Unearned revenue	-	588.750.000	(588.750.000)	588.750.000
Severance allowance	243.426.054	523.373.816	(279.947.762)	523.373.654
<b>Total deferred tax assets</b>	<b>56.376.874.772</b>	<b>14.191.035.242</b>		
<b>Deferred tax liability on</b>				
Deferred tax loss	(4.142.281.642)	(9.531.998.316)	5.389.716.674	(9.531.998.294)
Temporary difference in cost of sales	(9.187.457.093)	(8.487.131.177)	(700.325.916)	(255.083.177)
Unrealised foreign exchange gain	-	(284.000.000)	284.000.000	(284.000.000)
<b>Total deferred tax liability</b>	<b>(13.329.738.735)</b>	<b>(18.303.129.493)</b>		
Transferred from subsidiaries			(3.729.400.683)	-
<b>Net deferred income tax (charge) credit to consolidated income statement</b>			<b>43.429.829.605</b>	<b>(5.529.318.494)</b>

Notes to the consolidated financial statements  
(continued)

as at and for the year ended 31 December 2011

33. TRANSACTIONS WITH RELATED PARTIES

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

VND			
RELATED PARTIES	RELATIONSHIP	TRANSACTIONS	AMOUNT
Gamuda – Nam Long Development Limited Liability Company	Joint Venture	Service revenue	539.525.240
		Dividends received	10.223.280.000
ASPL - PLB Nam Long Co., Ltd.	Related party	Sales of Casa Project	153.538.792.683
		LUR - capital contribution	134.784.000.000
		Office rental revenue	154.089.595
		Service revenue	26.622.993
		Expenses paid on behalf	113.404.095
ASPL V6 Limited		Dividends paid for year 2010 and 2011	5.400.000.000
Mr. Nguyen Xuan Quang	Chairman	Withdraw of working capital	4.306.500.000
		Withdraw of working capital 3D Co.	183.808.000
		Advance	170.511.000
		Dividend paid for year 2010 and 2011	4.900.332.800
Mr. Tran Thanh Phong	Vice Chairman	Purchase stock of Nam Long Hong Phat	1.200.000.000
		Dividends paid for year 2010 and 2011	2.924.068.800
Ms. Nguyen Thi Bich Ngoc	Shareholder	Loans	(17.300.000.000)
		Dividends paid for year 2010 and 2011	(3.113.044.800)
Mr. Nguyen Thanh Dong	Shareholder	Reimbursement of working capital	4.505.070.000
Ms. Vu Bich Lan	Shareholder	Withdraw of working capital	2.838.000.000
Hong Phat Joint Stock Company	Related party	Capital contribution in Nam Long Hong Phat	966.000.000



Notes to the consolidated financial statements  
(continued)

as at and for the year ended 31 December 2011

33. TRANSACTIONS WITH RELATED PARTIES (continued)

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

VND			
RELATED PARTIES	RELATIONSHIP	TRANSACTIONS	AMOUNT
<b>Trade receivables</b>			
ASPL-PLB Nam Long Co., Ltd.	Joint Venture	Receivable for Casa Project	15.364.669.599
<b>Other receivables</b>			
Mipha Co., Ltd.	Related party	Other receivables	5.993.824.656
ASPL-PLB Nam Long Co., Ltd.	Joint Venture	Expenses paid on behalf	113.404.095
<b>TOTAL</b>			<b>6.107.228.751</b>
<b>Trade payable</b>			
Mr. Nguyen Xuan Quang	Chairman	Purchase of land	3.165.600.000
<b>Advances from customers</b>			
Công ty TNHH Nam Phan	Related company	Advance for construction	138.678.918
<b>Accruals</b>			
Mr. Tran Thanh Phong	Vice Chairman	Bond interest expense	1.275.000.000
Mr. Nguyen Xuan Quang	Chairman	Bond interest expense	1.226.325.000
Mr. Bui Duc Khang	Member	Bond interest expense	175.500.000
<b>TOTAL</b>			<b>2.676.825.000</b>
<b>Other payable</b>			
Gamuda – Nam Long Development Limited Liability Company	Joint Venture	Investment payable	16.797.300.000
<b>Other long term payables</b>			
Gamuda – Nam Long Development Limited Liability Company	Joint Venture	Deposit for office rental	101.261.240
<b>Loans</b>			
Mr. Nguyen Xuan Quang	Chairman	Purchase bonds	10.000.000.000
Mr. Tran Thanh Phong	Vice Chairman	Purchase bonds	10.000.000.000
Mr. Bui Duc Khang	Member	Purchase bonds	1.500.000.000
Mrs. Nguyen Thi Bich Ngoc	Member	Loans	15.000.000.000
<b>TOTAL</b>			<b>36.500.000.000</b>

Notes to the consolidated financial statements  
(continued)

as at and for the year ended 31 December 2011

33. TRANSACTIONS WITH RELATED PARTIES (continued)

Remunerations for the members of Board of Directors (“BOD”) and Board of Management (“BOM”) are as follows:

VND		
	CURRENT YEAR	PREVIOUS YEAR
Remunerations for members of the BOD	2.537.513.548	2.520.000.000
Remunerations for members of the BOM	8.642.237.198	7.173.779.194
<b>TOTAL</b>	<b>11.179.750.746</b>	<b>9.693.779.194</b>

34. COMMITMENTS AND CONTINGENCIES

Operating lease commitment

The Group leases out assets under operating lease arrangements. The future minimum rental receivable as at 31 December 2011 under the operating lease agreements is as follows:

VND		
	CURRENT YEAR	PREVIOUS YEAR
Less than one year	15.674.009.153	10.706.324.000
From one to five years	30.653.414.637	32.929.782.000
More than five years	13.097.269.584	91.468.919.000
<b>TOTAL</b>	<b>59.424.693.374</b>	<b>135.105.025.000</b>

Capital commitments

At 31 December 2011, the Group has contractual commitments for the construction work for its apartment, villa projects as follows:

VND			
	CONTRACTED AMOUNT	RECOGNIZED AMOUNT	REMAINING COMMITMENT
Long An Project	174.049.674.123	120.215.642.079	53.834.032.044
Tan Thuan Dong Project	45.756.554.261	43.073.074.003	2.683.480.258
Binh Duong Project	36.146.528.975	28.021.199.500	8.125.329.475
Tien Hung Project	27.126.010.714	15.790.261.241	11.335.749.473
Phuoc Long B	11.929.237.884	11.276.029.354	653.208.530
Ehome 2 Project	9.360.848.283	8.365.911.293	994.936.990
<b>TOTAL</b>	<b>304.368.854.240</b>	<b>226.742.117.470</b>	<b>77.626.736.770</b>

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. 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 2011 and 31 December 2010.

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 sensitivity 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 2011 and 31 December 2010.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to market risk for changes in interest rate relates primarily to the Group’s cash and short-term deposits. These investments are mainly short term in nature and they are not held for speculative purposes.

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

A sensitivity analysis is not performed for interest rate risk as the Group’s exposure to interest-rate risk is minimal at reporting date.

### Interest rate sensitivity

No analysis on interest sensitivity was performed for the year ended 31 December 2011 since a significant portion of borrowings are fixed rate during that year.

### 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.

# Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Company’s operating activities.

The Group does not manage its foreign currency risk, as the Group’s exposure to foreign currency risk is minimal during the year and as at the reporting date.

### Foreign currency sensitivity

The Company’s exposure to foreign currency changes for all other currencies is not material.

### Equity price risk

The Group’s 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.

The Company does not invest in listed equity securities.

### 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 and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

### Trade receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. The Company seeks to maintain strict control over its outstanding receivables to minimize credit risk. In view of the aforementioned and the fact that the Company’s trade receivables relate mainly to its related parties, there is no significant concentration of credit risk.

### 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 management in accordance with the Group’s policy. Investments of surplus funds are made only with approved counterparties.

The Group’s maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 5. The Group evaluates the concentration of credit risk in respect to bank deposit is as low.



## Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Liquidity risk

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

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

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

			VND
	LESS THAN 1 YEAR	FROM 1 TO 5 YEAR	TOTAL
<b>31 December 2011</b>			
Loans and borrowings	295.414.917.847	32.607.244.978	328.022.162.825
Non-convertible bonds	-	140.140.000.000	140.140.000.000
Trade payables	72.916.136.973	-	72.916.136.973
Other payables and accrued expenses	111.044.939.124	6.171.067.005	117.216.006.129
	<b>479.375.993.944</b>	<b>178.918.311.983</b>	<b>658.294.305.927</b>
<b>31 December 2010</b>			
Loans and borrowings	195.841.324.416	56.412.644.661	252.253.969.077
Trade payables	91.872.076.449	-	91.872.076.449
Other payables and accrued expenses	100.163.116.649	3.353.109.887	103.516.226.536
	<b>387.876.517.514</b>	<b>59.765.754.548</b>	<b>447.642.272.062</b>

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.

## Notes to the consolidated financial statements (continued)

as at and for the year ended 31 December 2011

## 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 consolidated financial statements.

		CARRYING AMOUNT				FAIR VALUE		VND
		ENDING BALANCE		BEGINNING BALANCE		ENDING BALANCE	BEGINNING BALANCE	
		Cost	Provision	Cost	Provision			
<b>Financial assets</b>								
	Available for sale	3,533,300,000	-	9,490,294,000	-	3,533,300,000	9,490,294,000	
	Equity instrument	214,457,797,723	-	269,039,284,341	-	214,457,797,723	269,039,284,341	
	Short-term deposits	411,874,405	-	12,770,000	-	411,874,405	12,770,000	
	Trade receivables	82,274,212,570	-	84,323,287,972	-	82,274,212,570	84,323,287,972	
	Receivable from related parties	21,265,494,255	-	7,912,672	-	21,265,494,255	7,912,672	
	Other non-current financial assets	3,346,577,885	-	2,623,751,935	-	3,346,577,885	2,623,751,935	
	Cash and cash equivalents	141,617,797,269	-	206,205,111,894	-	141,617,797,269	206,205,111,894	
<b>TOTAL</b>		<b>466,907,054,107</b>	<b>-</b>	<b>571,702,412,814</b>	<b>-</b>	<b>466,907,054,107</b>	<b>571,702,412,814</b>	

Notes to the consolidated financial statements  
(continued)

as at and for the year ended 31 December 2011

36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	CARRYING AMOUNT		FAIR VALUE	
	ENDING BALANCE	BEGINNING BALANCE	ENDING BALANCE	BEGINNING BALANCE
Financial liabilities				
Loans and borrowings	468.162.162.825	252.253.969.077	468.162.162.825	252.253.969.077
Payable to related parties	17.544.194.939	43.230.060.000	17.544.194.939	43.230.060.000
Trade payables	72.916.136.973	91.872.076.449	72.916.136.973	91.872.076.449
Other current liabilities	99.671.811.190	60.286.166.536	99.671.811.190	60.286.166.536
TOTAL	658.294.305.927	447.642.272.062	658.294.305.927	447.642.272.062

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 will-ing parties, other than in a forced or liquidation sale.

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

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors. As at 31 December 2011, the carrying amounts of such borrowings are not materially different from their estimated fair values.

37. EVENTS AFTER THE BALANCE SHEET DATE

On 13 March 2012, the Company was granted the ninth amended business registration certificate by the Ho Chi Minh City Department of Planning and Investment, approving the increase of the Company’s charter capital from VND’000 482,624,910 to VND’000 615,719,470.

Other than those already disclosed in the above paragraph or somewhere in the notes to the consolidated financial statements, there has been no other significant event occurring after the balance sheet date which would require adjustments or disclosures to be made in the consolidated financial statements.

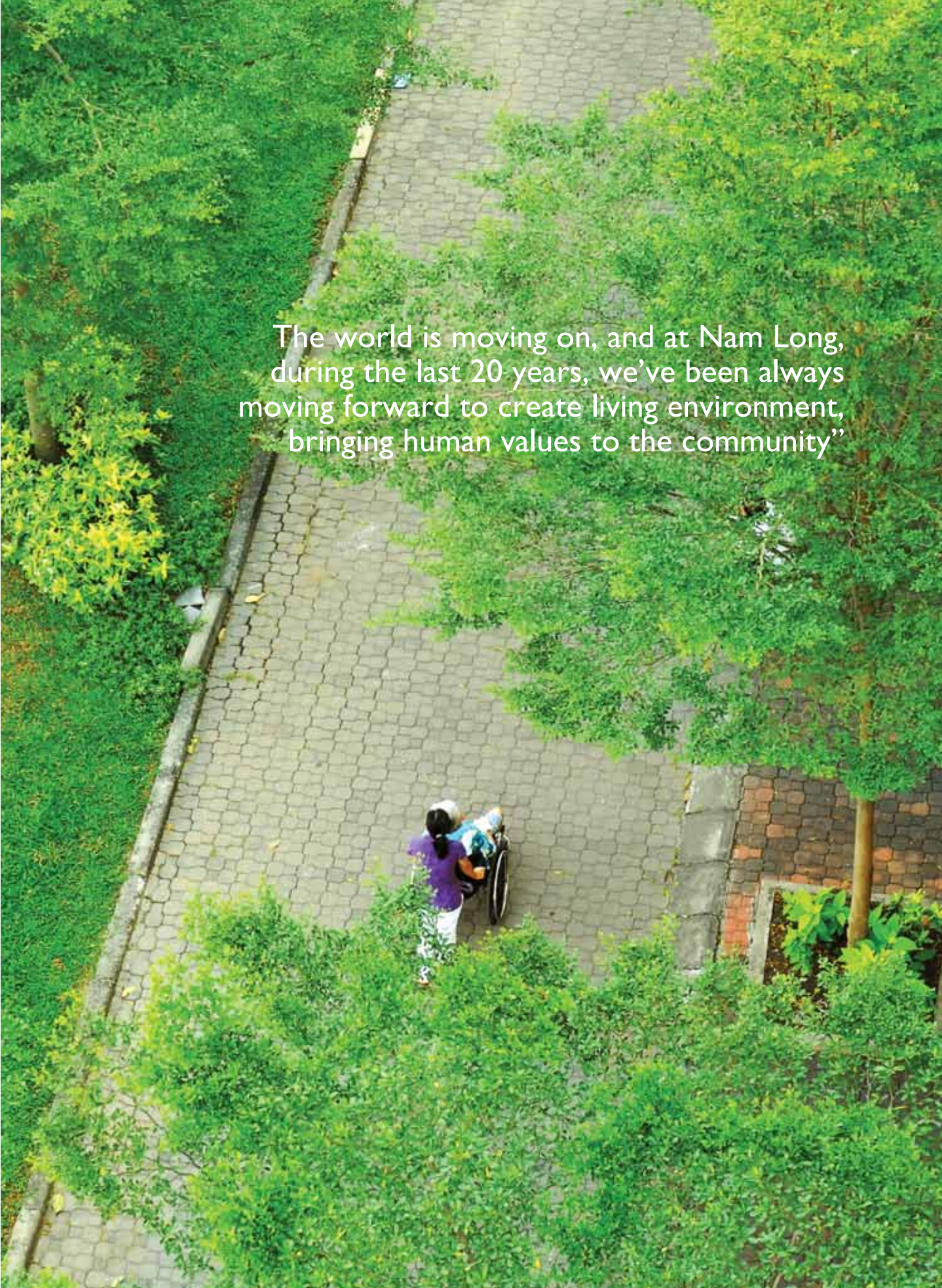


LUONG THI KIM THOA  
Chief Accountant  
28 March 2012



NGUYEN XUAN QUANG  
General Director



An aerial photograph of a paved path in a lush green park. The path is made of grey interlocking stones and runs diagonally from the top left towards the bottom right. It is flanked by dense green trees and bushes. In the lower-left portion of the path, a person wearing a purple shirt and white pants is pushing a wheelchair. The wheelchair is occupied by a person wearing a blue shirt. The overall scene is a peaceful, green outdoor environment.

The world is moving on, and at Nam Long,  
during the last 20 years, we've been always  
moving forward to create living environment,  
bringing human values to the community”





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