Phu Nhuan Jewelry Joint Stock Company

Interim consolidated financial statements

30 June 2012

Ernst & Young

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Phu Nhuan Jewelry Joint Stock Company

Interim consolidated financial statements

30 June 2012

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Phu Nhuan Jewelry Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Phu Nhuan Jewelry Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 0300521758 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004, as amended.

The Company was officially listed on the Ho Chi Minh City Stock Exchange ("HOSE") from 23 March 2009 pursuant to Decision No. 129/DKNY issued by the General Director of HOSE on 26 December 2008.

The Company's principal activities are to trade gold, silver, jewelry and gemstones, to import and export jewelry in gold, silver and gemstones.

The Company's registered head office is located at 170E Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. The Company has one hundred and thirty one (131) retail shops located in various provinces in Vietnam.

BOARD OF DIRECTORS

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

Mrs. Cao Thi Ngoc Dung	Chairwoman	
Mr. Nguyen Vu Phan	Vice Chairman	
Mrs. Nguyen Thi Cuc	Member	
Mr. Nguyen Tuan Quynh	Member	appointed on 14 April 2012
Mrs. Nguyen Thi Bich Ha	Member	appointed on 14 April 2012
Mr. Andy Ho	Member	appointed on 14 April 2012
Mrs. Pham Vu Thanh Giang	Member	appointed on 14 April 2012

BOARD OF SUPERVISION

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

Mr. Pham Van Tan	Head of the Board of Supervision
Mrs. Nguyen Ngoc Hue	Member
Mr. Tran Van Dan	Member

MANAGEMENT

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

Mrs. Cao Thi Ngoc Dung	General Director	
Mr. Le Huu Hanh	Deputy General Director	
Mrs. Nguyen Thi Cuc	Deputy General Director	
Mr. Nguyen Tuan Quynh	Deputy General Director	
Mr. Nguyen Vu Phan	Deputy General Director	
Mrs. Pham Thi My Hanh	Deputy General Director	appointed on 1 April 2012

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mrs. Cao Thi Ngoc Dung.

AUDITORS

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

Phu Nhuan Jewelry Joint Stock Company

REPORT OF MANAGEMENT

Management of Phu Nhuan Jewelry Joint Stock Company ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2012.

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

Management is responsible for the interim consolidated financial statements of each financial period which give a true and fair view of the interim consolidated state of affairs of the Group and of the interim consolidated results of its operations and its interim consolidated cash flows for the period. In preparing those interim 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 interim consolidated financial statements; and
- prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2012 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.

For and on behalf of management:

0300521758 CÔNG TY CỔ PHẦN VÀNG BẠC ĐÁ QUÝ PHÚ NHUẬN

Cao Thi Ngoc Dung
General Director

29 August 2012

Ernst & Young Vietnam Limited
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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders of Phu Nhuan Jewelry Joint Stock Company

We have reviewed the interim consolidated financial statements of Phu Nhuan Jewelry joint Stock Company ("the Company") and its subsidiaries ("the Group") as set out on pages 4 to 43 which comprise the interim consolidated balance sheet as at 30 June 2012, and the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these interim consolidated financial statements based on our review. The Group's consolidated financial statements for the year ended 31 December 2011 were audited by another auditor whose report dated 8 March 2012, expressed an unqualified opinion on those statements. The Group's interim consolidated income statement and the interim consolidated cash flow statement for the six-month period ended 30 June 2011 were also reviewed by the same auditor who issued an unqualified report on those statements dated 15 August 2011.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2012, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.

CÔNG TY TRÁCH NHIỆM HỮU HẠN ERNST & YOUNG VIỆT NAM

Ernst & Young Vietnam Ltd.

Ernst & Young Vietnam Limited

Mai Viet Hung Tran	Le Quang Minh
Deputy General Director	Auditor
Certificate No. D.0048/KTV	Certificate No. 0426/KTV

Ho Chi Minh City, Vietnam

29 August 2012

Phu Nhuan Jewelry Joint Stock Company

B01a-DN/HN

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2012

VND

Code	ASSETS	Notes	30 June 2012	31 December 2011
100	**A. CURRENT ASSETS**		**1,440,646,228,069**	**1,605,037,461,093**
110	***I. Cash and cash equivalents***	***4***	***319,441,277,215***	***454,113,948,194***
111	1. Cash		39,965,588,220	82,732,710,340
112	2. Cash equivalents		279,475,688,995	371,381,237,854
120	***II. Short-term investment***		***105,000,000,000***	***70,000,000,000***
121	1. Short-term investment	5	105,000,000,000	70,000,000,000
130	***III. Current accounts receivable***		***96,261,396,477***	***70,871,461,230***
131	1. Trade receivables	6	41,541,890,264	39,634,363,771
132	2. Advances to suppliers		8,436,719,707	9,061,955,750
135	3. Other receivables	7	46,282,786,506	22,790,855,759
139	4. Provision for doubtful debts		-	(615,714,050)
140	***IV. Inventories***		***881,930,072,266***	***968,915,039,630***
141	1. Inventories	8	881,930,072,266	968,915,039,630
150	***V. Other current assets***		***38,013,482,111***	***41,137,012,039***
151	1. Short-term prepaid expenses		24,055,453,844	20,780,523,529
152	2. Value-added tax deductible		2,886,603,210	3,626,013,421
154	3. Tax and other receivables from the State		1,011,620,398	1,037,353,890
158	4. Other current assets		10,059,804,659	15,693,121,199
200	**B. NON-CURRENT ASSETS**		**1,366,074,342,181**	**1,323,075,161,632**
220	***I. Fixed assets***		***438,447,621,655***	***419,577,684,256***
221	1. Tangible fixed assets	9	97,072,453,080	114,426,075,356
222	Cost		191,425,417,453	201,160,654,826
223	Accumulated depreciation		(94,352,964,373)	(86,734,579,470)
227	2. Intangible fixed assets	10	279,136,312,785	279,199,924,767
228	Cost		279,869,348,563	279,869,348,563
229	Accumulated amortization		(733,035,778)	(669,423,796)
230	3. Construction in progress	11	62,238,855,790	25,951,684,133
250	***II. Long-term investments***	***12***	***754,140,655,700***	***712,435,781,858***
252	1. Investments in associates		251,699,247,300	258,315,155,708
258	2. Other long-term investments		513,241,408,400	475,245,158,400
259	3. Provision for long-term investments		(10,800,000,000)	(21,124,532,250)
260	***III. Other long-term assets***		***173,486,064,826***	***191,061,695,518***
261	1. Long-term prepaid expenses	13	172,243,856,784	188,628,499,090
262	2. Deferred tax assets	28.3	1,047,208,042	919,152,184
268	3. Other long-term assets		195,000,000	1,514,044,244
270	**TOTAL ASSETS**		**2,806,720,570,250**	**2,928,112,622,725**

Phu Nhuan Jewelry Joint Stock Company

B01a-DN/HN

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2012

VND

Code	*RESOURCES*	*Notes*	*30 June 2012*	*31 December 2011*
300	**A. LIABILITIES**		**1,577,881,578,420**	**1,771,024,241,138**
310	***I. Current liabilities***		***1,492,461,243,253***	***973,411,782,490***
311	1. Short-term loans	14	1,275,823,892,914	604,356,835,868
312	2. Trade payables	15	59,824,488,894	123,648,989,802
313	3. Advances from customers	16	39,834,592,550	10,271,763,272
314	4. Statutory obligations	17	38,344,494,685	29,561,163,550
315	5. Payables to employees		11,057,919,426	46,402,734,297
316	6. Accrued expenses	18	5,717,949,209	8,431,746,109
319	7. Other payables	19	22,897,683,808	133,760,429,404
323	8. Bonus and welfare fund		38,960,221,767	16,978,120,188
330	***II. Non-current liabilities***		***85,420,335,167***	***797,612,458,648***
333	1. Other long-term liabilities	20	59,046,698,861	62,532,121,564
334	2. Long-term loans	21	22,148,597,713	730,658,754,727
336	3. Provision for severance allowance		4,225,038,593	4,421,582,357
400	**B. OWNERS' EQUITY**		**1,203,617,706,284**	**1,130,451,377,433**
410	***I. Capital***	***22***	***1,203,617,706,284***	***1,130,451,377,433***
411	1. Share capital		599,991,420,000	599,991,420,000
412	2. Share premium		225,008,580,000	225,008,580,000
414	3. Treasury shares		(7,090,000)	(7,090,000)
417	4. Investment and development fund		117,461,168,576	72,461,168,576
418	5. Financial reserve fund		47,951,235,360	35,866,235,360
420	6. Undistributed earnings		213,212,392,348	197,131,063,497
439	**C. MINORITY INTEREST**		**25,221,285,546**	**26,637,004,154**
440	**TOTAL LIABILITIES AND OWNERS' EQUITY**		**2,806,720,570,250**	**2,928,112,622,725**

OFF BALANCE SHEET ITEM

ITEM	*30 June 2012*	*31 December 2011*
Foreign currencies:		
- United States dollar ("US$")	168,605	5,675,227
- Australian dollar ("AUD")	174	39,999
- Gold taels	8,883	6,816

CÔNG TY CỔ PHẦN VÀNG BẠC ĐÁ QUÝ PHÚ NHUẬN

Dang Thi Lai
Chief Accountant

Cao Thi Ngoc Dung
General Director

29 August 2012

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2012

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2012*	*For the six-month period ended 30 June 2011*
01	**1. Revenue from sale of goods and rendering of services**	**23.1**	**3,688,975,600,364**	**8,313,631,621,873**
02	**2. Deductions**	**23.1**	**(27,018,201,697)**	**(33,949,902,491)**
10	**3. Net revenue from sale of goods and rendering of services**	**23.1**	**3,661,957,398,667**	**8,279,681,719,382**
11	**4. Cost of goods sold and services rendered**	**24**	**(3,331,934,028,293)**	**(7,914,359,054,812)**
20	**5. Gross profit from sale of goods and rendering of services**		**330,023,370,374**	**365,322,664,570**
21	**6. Finance income**	**23.2**	**46,052,842,192**	**31,992,814,388**
22	**7. Finance expenses**	**25**	**(47,302,172,594)**	**(52,572,125,857)**
23	*- In which: Interest expense*		*(57,426,505,100)*	*(47,822,633,162)*
24	**8. Selling expenses**		**(153,308,854,023)**	**(130,488,868,257)**
25	**9. General and administrative expenses**		**(44,002,451,737)**	**(44,007,847,706)**
30	**10. Operating profit**		**131,462,734,212**	**170,246,637,138**
31	**11. Other income**	**26**	**44,370,964,888**	**11,409,350,243**
32	**12. Other expenses**	**26**	**(18,681,774,193)**	**(1,385,359,175)**
40	**13. Other profit**	**26**	**25,689,190,695**	**10,023,991,068**
45	**14. Share of profit of associates**		**3,653,507,569**	**4,218,737,060**
50	**15. Profit before tax**		**160,805,432,476**	**184,489,365,266**
51	**16. Current corporate income tax expense**	**28.1**	**(29,025,061,591)**	**(36,666,502,517)**
52	**17. Deferred income tax income**	**28.3**	**128,055,858**	**95,896,171**
60	**18. Net profit after tax**		**131,908,426,743**	**147,918,758,920**
	Attributable to:			
	18.1 Minority interests		*(1,415,718,608)*	*133,788,780*
	18.2 Equity holders of the Company		*133,324,145,351*	*147,784,970,140*
70	**19. Basic earnings per share (VND/share)**	**22.4**	**2,222**	**2,463**

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CÔNG TY CỔ PHẦN VÀNG BẠC ĐÁ QUÝ PHÚ NHUẬN

Dang Thi Lai
Chief Accountant

Cao Thi Ngoc Dung
General Director

29 August 2012

Phu Nhuan Jewelry Joint Stock Company

B03a-DN/HN

INTERIM CONSOLIDATED CASHFLOW STATEMENT
for the six-month period ended 30 June 2012

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2012*	*For the six-month period ended 30 June 2011*
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Profit before tax**		**160,805,432,476**	**184,489,365,266**
	Adjustments for:			
02	Depreciation and amortization	9, 10	8,658,095,333	7,800,909,384
03	Provisions		(10,324,532,250)	-
05	Profits from investing activities		(49,644,327,105)	(32,548,233,288)
06	Interest expense	25	57,426,505,100	47,822,633,162
08	**Operating profit before changes in working capital**		**166,921,173,554**	**207,564,674,524**
09	Increase in receivables		(3,804,599,684)	(56,526,754,021)
10	Decrease (increase) in inventories		86,984,967,364	(128,757,918,528)
11	Decrease in payables		(143,986,623,105)	(44,874,894,759)
12	Decrease in prepaid expenses		4,517,579,545	19,734,646,243
13	Interest paid		(54,229,359,730)	(47,571,835,449)
14	Corporate income tax paid	28.2	(11,623,170,185)	(43,958,427,440)
16	Other cash outflows from operating activities		(2,902,782,921)	(12,664,805,044)
20	**Net cash flows from (used in) operating activities**		**41,877,184,838**	**(107,055,314,474)**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets	9, 11	(38,983,124,243)	(90,101,649,084)
22	Proceeds from disposals of fixed assets	26	11,768,380,455	626,254,546
23	Bank term deposit		(35,000,000,000)	-
25	Payments for investments in other entities		(31,380,341,592)	-
26	Proceeds from sale of investments in other entities		-	23,050,000,000
27	Interest and dividends received		44,055,339,531	23,312,168,607
30	**Net cash flows used in investing activities**		**(49,539,745,849)**	**(43,113,225,931)**
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		1,673,692,403,494	4,681,488,484,620
34	Repayment of borrowings		(1,710,735,503,462)	(4,372,264,306,330)
35	Dividends paid to minority interest		-	(3,752,970,042)
36	Dividends paid	22.2	(89,967,010,000)	(87,389,908,400)
40	**Net cash flows (used in) from financing activities**		**(127,010,109,968)**	**218,081,299,848**

INTERIM CONSOLIDATED CASHFLOW STATEMENT (continued)
for the six-month period ended 30 June 2012

VND

Code	*ITEMS*	*Notes*	*For the six-month period ended 30 June 2012*	*For the six-month period ended 30 June 2011*
50	**Net (decrease) increase in cash and cash equivalents**		**(134,672,670,979)**	**67,912,759,443**
60	**Cash and cash equivalents at beginning of period**		**454,113,948,194**	**337,769,093,757**
70	**Cash and cash equivalents at end of period**	**4**	**319,441,277,215**	**405,681,853,200**

CÔNG TY CỔ PHẦN VÀNG BẠC ĐÁ QUÝ PHÚ NHUẬN

Dang Thi Lai
Chief Accountant

Cao Thi Ngoc Dung
General Director

29 August 2012

1. CORPORATE INFORMATION

Phu Nhuan Jewelry Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 0300521758 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004, as amended.

The Company was officially listed on the Ho Chi Minh City Stock Exchange ("HOSE") from 23 March 2009 pursuant to Decision No. 129/DKNY issued by the General Director of HOSE on 26 December 2008.

The principal activities of the Company and its subsidiaries ("the Group") are to trade gold, silver, jewelry and gemstones, to import and export jewelry in gold, silver and gemstones, to trade gasoline, gas cookers, to product and trade fashion products, silver and gold jewelery, and to provide jewelery inspection and consultancy services.

The Company's registered head office is located at 170E Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. In addition, the Company has one hundred and thirty one (131) retail shops located in various provinces in Vietnam.

The number of the Group's employees as at 30 June 2012 was 2,762 (31 December 2011: 2,745).

Corporate structure

The Company's corporate structure includes three subsidiaries, in which:

Dai Viet Energy Joint Stock Company ("DVC") is a shareholding company established in accordance with Business Registration Certificate No. 4103007071 issued by the Department of Planning and Investment of Ho Chi Minh City on 21 June 2007. DVC's registered head office is located at Lot A87/I, Street 5, Vinh Loc Industrial Park, Ba Diem Ward, Hoc Mon District, Ho Chi Minh City, Vietnam. DVC's principal activities are to trade gasoline, gas cookers, machinery and equipment oil and gas industry, to provide transportation services, and to trade oil, lubricant and petrol-chemical products. As at 30 June 2012 the Company holds 70% ownership interest of DVC.

On 21 December 2011, the Company entered into a share transfer agreement ("the agreement") with Totalgaz Vietnam Limited ("Totalgaz") to dispose all its shares in DVC. Both parties signed the Completion Minutes on 29 June 2012 upon the completion of certain perquisites of the agreement. However, the transfer price has not been finalised and still subject to the independent assessment report on DVC's net assets.

CAO Fashion Company Limited ("CFC"), a one-member limited liability company, was established in accordance with Business Registration Certificate No. 0309279212 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 August 2009. CFC's registered head office is located at 170E Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. CFC's principal activities are to produce and trade fashion products, silver and gold jewelery, and arts and crafts products, and to import and export art and craft products.

PNJ Laboratory Company Limited ("PLC"), a one-member limited liability company, was established in accordance with Business Registration Certificate No. 0310521330 issued by the Department of Planning and Investment of Ho Chi Minh City on 16 December 2010. PLC's registered head office is located at 205 Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. PLC's principal activities are to provide jewelery inspection and consultancy services.

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The interim consolidated financial statements of the Group, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards ("VAS") issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese 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 interim consolidated balance sheet, interim consolidated income statement, interim consolidated cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

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 applicable for the preparation of its consolidated financial statement 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 interim consolidated financial statements comprise the interim financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2012.

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, gold 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.

3.2 Receivables

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

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

3.3 Inventories

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

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

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

Merchandises and consumables, and raw materials	-	cost of purchase on a weighted average basis.
Finished goods and work-in process	-	cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Fixed assets*

Fixed assets are stated at cost less accumulated depreciation and amortization.

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

Expenditures for additions, improvements and renewals are capitalised and expenditures for maintenance and repairs are charged to the interim consolidated income statement as incurred.

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

Land use rights

Land use right is recorded as an intangible fixed asset on the interim consolidated balance sheet when the Group obtained the land use right certificates. The costs of land use right comprise all directly attributable costs of bringing the land to the condition available for intended use and is not amortized due to having indefinite useful life.

3.5 *Depreciation and amortization*

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

Buildings and structures	3 - 25 years
Machinery and equipment	3 - 15 years
Motor vehicles	4 - 10 years
Office equipment	3 - 8 years
Computer software	3 years

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

3.6 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the period in which they are incurred.

3.7 *Prepaid expenses*

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

The following types of expenses are recorded as long-term prepaid expense and are amortised to the interim consolidated income statement.

- Prepaid rental includes land and retail shop rental prepaid for many years under operating lease contracts and are amortized over the lease term;
- Tools and consumables with large value issued in use and can be used for more than one year;
- Gas cylinders are considered as tools, and are amortised on a straight line basic over 10 years; and
- Others are amortized to the interim consolidated income statement over 2 to 3 years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 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 from 20% or above of the voting rights.

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

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

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

3.9 Other investments

Other investments are stated at their acquisition costs. Provision is made for any diminution in value of the marketable investments at the balance sheet date representing the excess of the acquisition cost over the market value at that date in accordance with the guidance under Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. Increases and decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

3.10 Payables and accruals

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

3.11 Provision 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 period following the average monthly salary of the six-month period up to the balance sheet date. Any changes to the accrued amount will be taken to the interim consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Foreign currency transactions*

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

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 period, monetary assets and liabilities denominated in foreign currencies are re-valued at exchange rates ruling at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the interim consolidated income statement.

The above guidance related to unrealized foreign exchange differences provided by VAS 10 is different from those stipulated in the Circular No. 201/2009/TT-BTC issued on 15 October 2009 by the Ministry of Finance providing guidance for the treatment of foreign exchange differences ("Circular 201") as follows:

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

However, the impact on the interim consolidated financial statements had the Group adopted the Circular 201 for the six-month period ended 30 June 2012 was not material as a whole.

3.14 *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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Appropriation of net profits

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

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

- Financial reserve fund

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

- Investment and development fund

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

- Bonus and welfare fund

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

3.16 Basic earnings per share

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

3.17 Revenue recognition

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

Sale of goods

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

Rendering of services

Revenue is recognised when the service has been rendered.

Interest

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

Dividends

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation

Current income tax

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

Current income tax is charged or credited to the interim 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 income tax assets against current income tax liabilities and when the Group intends to settle its current income tax assets and liabilities on a net basis.

Deferred income tax

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

Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income 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.

Deferred income 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 income 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.

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current income tax assets against current income 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 income 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 income tax liabilities or assets are expected to be settled or recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Financial instruments

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009, providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the interim consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

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

The Group's financial assets include cash, cash equivalents and short-term deposits, trade and other receivables.

Financial liabilities

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

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

4. CASH AND CASH EQUIVALENTS

VND

	30 June 2012	*31 December 2011*
Cash on hand	18,720,097,089	32,008,316,053
Cash at banks	20,628,475,131	50,516,469,287
Cash in transit	617,016,000	207,925,000
Cash equivalents	279,475,688,995	371,381,237,854
TOTAL	**319,441,277,215**	**454,113,948,194**

Cash equivalents represent gold taels that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

5. SHORT-TERM INVESTMENTS

Short-term investments represent bank term deposits as a guarantee for the transfer of its subsidiary's shares *(Note 12.1)*, and earn an average interest rate from 12% to 13.5% per annum.

6. TRADE RECEIVABLES

		VND
	30 June 2012	*31 December 2011*
Due from third parties	41,541,890,264	39,634,363,771
Provision for doubtful debts	-	(615,714,050)
NET	**41,541,890,264**	**39,018,649,721**

7. OTHER RECEIVABLES

		VND
	30 June 2012	*31 December 2011*
Due from third parties	46,282,786,506	22,790,855,759
In which:		
Dividends receivable	*10,393,987,500*	*13,858,650,000*
Transfer of leased land lot to Saigon Food Joint Stock Company	*12,000,000,000*	-
Others	*23,888,799,006*	*8,932,205,759*

8. INVENTORIES

		VND
	30 June 2012	*31 December 2011*
Merchandise inventories	774,649,305,681	826,969,663,077
Finished goods	14,190,972,939	62,759,983,676
Goods on consignment	56,783,163,417	45,958,641,939
Raw materials	13,841,779,610	14,259,449,585
Work in process	2,476,811,528	5,240,245,599
Tools and suppliers	9,336,407,468	8,424,569,033
Goods in transits	10,651,631,623	5,302,486,721
TOTAL	**881,930,072,266**	**968,915,039,630**

9. TANGIBLE FIXED ASSETS

VND

	Buildings and structures	*Machinery and equipment*	*Office equipment*	*Motor vehicles*	*Total*
Cost:					
As at 31 December 2011	73,738,774,635	92,282,053,254	13,760,874,430	21,378,952,507	201,160,654,826
Newly purchased/ constructed	172,094,686	1,810,771,743	-	713,086,157	2,695,952,586
Disposed	(12,155,893,323)	-	(275,296,636)	-	(12,431,189,959)
As at 30 June 2012	61,754,975,998	94,092,824,997	13,485,577,794	22,092,038,664	191,425,417,453
Accumulated depreciation:					
As at 31 December 2011	11,659,844,831	53,715,512,649	8,784,349,884	12,574,872,106	86,734,579,470
Depreciation for the period	1,623,717,688	5,372,052,886	379,486,074	1,219,226,703	8,594,483,351
Disposed	(700,801,812)	-	(275,296,636)	-	(976,098,448)
As at 30 June 2012	12,582,760,707	59,087,565,535	8,888,539,322	13,794,098,809	94,352,964,373
Net carrying amount:					
As at 31 December 2011	62,078,929,804	38,566,540,605	4,976,524,546	8,804,080,401	114,426,075,356
As at 30 June 2012	49,172,215,291	35,005,259,462	4,597,038,472	8,297,939,855	97,072,453,080

The buildings and machineries with their respective carrying amounts of VND 15,982,368,023 and VND 8,991,674,750 were pledged to obtain loans from commercial banks *(Note 21)*.

10. INTANGIBLE FIXED ASSETS

VND

	Indefinite land use right	*Computer software*	*Total*
Cost:			
As at 31 December 2011 and 30 June 2012	279,000,379,838	868,968,725	279,869,348,563
Accumulated amortization:			
As at 31 December 2011	-	669,423,796	669,423,796
Amortization for the period	-	63,611,982	63,611,982
As at 30 June 2012	-	733,035,778	733,035,778
Net carrying amount:			
As at 31 December 2011	279,000,379,838	199,544,929	279,199,924,767
As at 30 June 2012	279,000,379,838	135,932,947	279,136,312,785

Land use rights with the carrying amount of VND 166,099,851,738 were pledged to obtain loans from commercial banks *(Note 21).*

11. CONSTRUCTION IN PROGRESS

VND

	30 June 2012	*31 December 2011*
Duong Quang Ham factory project	50,901,311,790	20,556,149,133
Silver and gold jewelry center	5,548,639,000	2,095,535,000
Thu Khoa Huan commercial shopping center	5,788,905,000	3,300,000,000
TOTAL	**62,238,855,790**	**25,951,684,133**

12. LONG-TERM INVESTMENTS

12.1 Investments in associates

Name	*30 June 2012*		*31 December 2011*	
	Cost of investment	*% of interest*	*Cost of investment*	*% of interest*
Saigon Fuel Joint Stock Company	167,268,631,954	49.99%	173,890,173,267	49.99%
Dong A Land Joint Stock Company	84,430,615,346	30.62%	84,424,982,441	30.62%
TOTAL	**251,699,247,300**		**258,315,155,708**	

	30 June 2012	*31 December 2011*
Cost of investment in associates	230,474,829,680	230,474,829,680
Accumulated share in post-acquisition profit of the associate	46,831,458,620	43,177,951,028
Dividends received	(25,607,041,000)	(15,337,625,000)
TOTAL	**251,699,247,300**	**258,315,155,708**

Saigon Fuel Joint Stock Company ("SFC") is a shareholding company established in accordance with Business Registration Certificate No. 0300631013 issued by the Department of Planning and Investment of Ho Chi Minh City on 20 June 2000. SFC's registered head office is located at 1A Pham Ngoc Thach Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. SFC's principal activities are to trade oil and gas products, to trade tools, supplies and machineries for oil and gas, to produce and trade agriculture products, to import, produce and trade wooden products; and to provide transportation service, rental and construction services.

Dong A Land Joint Stock Company ("DAL"), is a shareholding company established in accordance with Business Registration Certificate No. 4103001739 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 July 2003. DAL's registered head office is located at 43R/12, Ho Van Hue Street, Ward 9, Phu Nhuan District, Ho Chi Minh City, Vietnam. DAL's principal activities are to provide design services, project management, construction services, to provide real estate consulting services and real estate agency, and to trade houses and interior products.

12. LONG-TERM INVESTMENTS (continued)

12.2 *Other long-term investments*

VND

Name	*30 June 2012*		*31 December 2011*	
	Number of shares	*Cost of investment* *VND*	*Number of shares*	*Cost of investment* *VND*
Dong A Joint Stock Commercial Bank (DAB) (i)	38,496,250	395,271,613,400	34,646,625	356,775,363,400
Saigon M&C Real Estate Joint Stock Company	2,615,215	65,380,375,000	2,615,215	65,380,375,000
Que huong Liberty Joint Stock Company	916,662	42,499,920,000	916,662	42,499,920,000
Hoang Minh Giam project (ii)		10,089,500,000		10,089,500,000
Others		-		500,000,000
TOTAL		**513,241,408,400**		**475,245,158,400**
Provision for long-term investments		(10,800,000,000)		(21,124,532,250)
NET		**502,441,408,400**		**454,120,626,150**

(i) DAB's shares were pledged to obtain loans from commercial banks *(Note 21)*.

(ii) This represents the Group's advance under Business Cooperation Contract with Vietnam Festival Travel Company Limited and Dong A Land Joint Stock Company to develop a real estate project located at 8 Hoang Minh Giam Street, Phu Nhuan District, Ho Chi Minh City, Vietnam.

12.3 *Provision for long-term investments*

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Provision for long-term investments at beginning of period	21,124,532,250	10,800,000,000
Less: Reversal of provision during the period	(10,324,532,250)	-
Provision for long-term investments at end of period	10,800,000,000	10,800,000,000

13. LONG TERM PREPAID EXPENSES

		VND
	30 June 2012	*31 December 2011*
Gasoline cylinders	136,584,716,758	149,792,511,796
Land rental (*)	22,355,837,937	29,670,699,997
Consulting services fee	6,285,600,000	-
Office and retail shop renovation cost	4,708,682,350	2,956,937,434
Retail shop rental	1,635,934,936	-
Other	673,084,803	6,208,349,863
TOTAL	**172,243,856,784**	**188,628,499,090**

(*) This represents leased land lot located at Street 5, Vinh Loc Industrial Park, Hoc Mon District, Ho Chi Minh City, and was pledged to obtain loans from commercial banks *(Notes 14 and 21)*.

14. SHORT-TERM LOANS

		VND
	30 June 2012	*31 December 2011*
Short-term loans from banks	489,305,880,000	382,335,248,000
Short-term loans from individuals	87,335,762,024	87,778,231,372
Current portion of long-term loan *(Note 21)*	699,182,250,890	134,243,356,496
TOTAL	**1,275,823,892,914**	**604,356,835,868**

14. SHORT-TERM LOANS (continued)

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

Banks	*30 June 2012* *VND*	*Maturity date*	*Purpose*	*Interest (%p.a.)*	*Collateral*
Vietnam Technological and Commercial Joint Stock Bank	110,000,000,000	From 14 August 2012 to 27 August 2012	To finance working capital	From 13 % to 13.5%	Unsecured
Vietnam Export Import Commercial Joint Stock Bank – Main Transaction Office No.1	100,044,000,000	From 5 October 2012 to 13 October 2012	To finance working capital	4.8%	DAB's shares amounting to VND 40,000,000,000
Vietnam Maritime Commercial Joint Stock Bank – Ho Chi Minh Branch	100,000,000,000	From 15 September 2012 to 21 September 2012	To finance working capital	From 13.5 % to 13.8%	Unsecured
Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch	91,000,000,000	From 31 August 2012 to 28 September 2012	To finance working capital	From 12.5 % to 13.7%	Unsecured
DongA Commercial Joint Stock Bank	70,000,000,000	From 7 December 2012 to 23 February 2013	To finance working capital	From 13 % to 15%	Unsecured
Asia Commercial Joint Stock Bank – Main Transaction office	6,261,880,000	From 11 October 2012 to 19 April 2013	To finance working capital	6.5%	DAB's shares amounting to VND 30,000,000,000
	9,000,000,000	From 8 December 2012 to 22 December 2012	To finance working capital	16%	Unsecured
	3,000,000,000	28 December 2012	To finance working capital	15.5%	Leased land lot and machinery with their respective amounting to VND 22,355,837,937 and VND 7,688,000,000
TOTAL	**489,305,880,000**				

Details of individual loans are as follows:

	30 June 2012 *VND*	*Maturity date*	*Purpose*	*Interest (%p.a.)*	*Collateral*
Individuals – in Gold	79,586,262,024	From 30 September 2012 to 28 May 2013	To finance working capital	3.0%	Unsecured
Individuals – in VND	7,749,500,000	From 5 November 2012 to 17 February 2013	To finance working capital	14%	Unsecured
TOTAL	**87,335,762,024**				

15. TRADE PAYABLES

		VND
	30 June 2012	*31 December 2011*
Due to third parties	59,656,704,949	119,165,943,802
Due to related parties *(Note 29)*	167,783,945	4,483,046,000
TOTAL	**59,824,488,894**	**123,648,989,802**

16. ADVANCES FROM CUSTOMERS

		VND
	30 June 2012	*31 December 2011*
Advance from Totalgaz (*)	35,000,000,000	-
Others	4,834,592,550	10,271,763,272
TOTAL	**39,834,592,550**	**10,271,763,272**

(*) This represents the advance from Totalgaz in relation to the transfer of DVC shares.

17. STATUTORY OBLIGATIONS

		VND
	30 June 2012	*31 December 2011*
Corporate income tax *(Note 28.2)*	28,961,912,046	11,560,020,640
Value-added tax	8,486,975,483	17,490,372,400
Foreign contractor withholding tax	678,729,640	-
Personal income tax	7,185,035	-
Others	209,692,481	510,770,510
TOTAL	**38,344,494,685**	**29,561,163,550**

18. ACCRUED EXPENSES

		VND
	30 June 2012	*31 December 2011*
Interest expense	3,197,145,370	2,219,585,148
Retail shop rental	1,397,689,069	233,035,000
Advertising and promotion	857,660,225	5,441,527,292
Others	265,454,545	537,598,669
TOTAL	**5,717,949,209**	**8,431,746,109**

19. OTHER PAYABLES

		VND
	30 June 2012	*31 December 2011*
Social and health insurance	5,023,273,196	4,088,047,249
Dividends payable	184,771,700	60,254,310,200
Payable to related parties	-	2,126,094,704
Deposits received from transfer of DVC shares	-	52,500,000,000
Others	17,689,638,912	14,791,977,251
TOTAL	**22,897,683,808**	**133,760,429,404**

20. OTHER LONG-TERM LIABILITIES

	30 June 2012	*31 December 2011*
Deposits from gasoline agents	58,620,414,361	62,105,837,064
Others	426,284,500	426,284,500
TOTAL	**59,046,698,861**	**62,532,121,564**

21. LONG-TERM LOANS

		VND
	30 June 2012	*31 December 2011*
Loans from the banks	721,330,848,603	864,902,111,223
In which		
Current portion (Note 14)	*699,182,250,890*	*134,243,356,496*
Non-current portion	*22,148,597,713*	*730,658,754,727*

21. LONG-TERM LOANS (continue)

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

Banks	*30 June 2012*	*Maturity date*	*Purpose*	*Interest (% p.a.)*	*Collateral*
	VND				
Asia Commercial Joint Stock Bank – Main Transaction office	328,044,560,000	27 April 2016	To finance working capital	5.6%	DAB's shares amounting to VND 300,000,000,000
	18,729,135,933	4 September 2013	To finance working capital	From 15.7% to 16.7%	Leased land lot and machinery with their respective amounting to VND 22,355,837,937 and VND 7,688,000,000
	440,579,670	7 June 2013	To finance working capital	7.0%	Tangible fixed assets with the value of VND 218,574,194
Dong A Commercial Joint Stock Bank	159,921,723,000	29 April 2013	To finance working capital	4.0%	Land use right, building and structures with their respective value of VND 59,556,399,738 and VND 15,982,368,023
	9,167,000,000	30 December 2014	To finance working capital	17.5% p.a.	Land use rights and machineries with their respective value of VND 9,595,740,000 and VND 1,085,100,556
Saigon Thuong Tin Commercial Joint Stock Bank – Saigon Branch	205,027,850,000	29 April 2013	To finance working capital	4.2% p.a.	Land use rights and building with the value of VND 96,947,712,000
TOTAL	**721,330,848,603**				
In which:					
Current portions (Note 14)	*699,182,250,890*				
Non-current portions	*22,148,597,713*				

22. OWNERS' EQUITY

22.1 Movements in owners' equity

VND

	Share capital	*Share premium*	*Treasury shares*	*Investment and development fund*	*Financial reserve fund*	*Undistributed earnings*	*Total*
For the six-month period ended 30 June 2011:							
As at 1 January 2011	599,991,420,000	225,008,580,000	(7,090,000)	52,461,168,576	25,704,156,577	143,727,744,639	1,046,885,979,792
Net profit for the period	-	-	-	-	-	147,784,970,140	147,784,970,140
Profit appropriation	-	-	-	20,000,000,000	10,327,760,000	(53,585,458,455)	(23,257,698,455)
Dividend declared	-	-	-	-	-	(29,999,216,500)	(29,999,216,500)
As at 30 June 2011	599,991,420,000	225,008,580,000	(7,090,000)	72,461,168,576	36,031,916,577	207,928,039,824	1,141,414,034,977
For the six-month period ended 30 June 2012:							
As at 1January 2012	599,991,420,000	225,008,580,000	(7,090,000)	72,461,168,576	35,866,235,360	197,131,063,497	1,130,451,377,433
Net profit for the period	-	-	-	-	-	133,324,145,351	133,324,145,351
Dividend declared	-	-	-	-	-	(29,999,216,500)	(29,999,216,500)
Profit appropriation	-	-	-	45,000,000,000	12,085,000,000	(62,785,000,000)	(5,700,000,000)
Transfer to bonus and welfare fund	-	-	-	-	-	(24,458,600,000)	(24,458,600,000)
As at 30 June 2012	599,991,420,000	225,008,580,000	(7,090,000)	117,461,168,576	47,951,235,360	213,212,392,348	1,203,617,706,284

22. OWNERS' EQUITY (continued)

22.2 *Capital transactions with owners and distribution of dividends*

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Contributed capital		
Beginning balance	599,991,420,000	599,991,420,000
Increase	-	-
Ending balance	599,991,420,000	599,991,420,000
Dividends paid	*89,967,010,000*	*87,389,908,400*
Dividends declared	*29,999,216,500*	*53,154,737,500*

22.3 *Shares – ordinary shares*

	30 June 2012	*30 June 2011*
	Number of shares	*Number of shares*
Shares authorised to be issued	59,999,142	59,999,142
Shares issued and fully paid		
Ordinary shares	59,999,142	59,999,142
Treasury shares		
Ordinary shares	*(709)*	*(709)*
Shares in circulation		
Ordinary shares	*59,998,433*	*59,998,433*

22.4 *Basic earnings per share*

The following table shows the income and share data used in the basic earnings per share calculations:

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Net profit attributable to ordinary equity holders of the parent	133,324,145,351	147,784,970,140
Weighted average number of ordinary shares	59,998,433	59,998,433
Basic earnings per share (VND/share)	**2,222**	**2,463**

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

23. REVENUE

23.1 Revenue from sale of goods and rendering of services

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Gross revenue	**3,688,975,600,364**	**8,313,631,621,873**
Of which:		
Sale of gold, silver and jewelry	*3,366,480,482,059*	*7,976,945,696,774*
Sale of gasoline and gas cylinders	*314,717,065,705*	*323,261,222,008*
Sale of accessories	*3,016,331,356*	*2,859,696,027*
Rendering of services	*4,761,721,244*	*10,565,007,064*
Less	**(27,018,201,697)**	**(33,949,902,491)**
Sales returns	*(1,701,488,845)*	*(2,651,063,062)*
Value added tax applying direct method	*(25,316,712,852)*	*(31,298,839,429)*
Net revenues	**3,661,957,398,667**	**8,279,681,719,382**
Of which:		
Sale of gold, silver and jewelry	*3,339,501,386,512*	*7,943,028,914,783*
Sale of gasoline and gas cylinders	*314,677,959,555*	*323,228,101,508*
Sale of accessories	*3,016,331,356*	*2,859,696,027*
Rendering of services	*4,761,721,244*	*10,565,007,064*

23.2 Finance income

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Dividends earned	33,253,512,000	28,113,587,750
Interest income	5,808,110,161	457,860,389
Realised foreign exchange gains	5,515,220,031	3,421,366,249
Others	1,476,000,000	-
TOTAL	**46,052,842,192**	**31,992,814,388**

24. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Cost of gold, silver and jewelry	3,038,878,222,447	7,620,936,784,544
Cost of gasoline and gas cylinders	289,762,142,666	290,384,450,805
Cost of accessories	2,097,921,579	1,835,975,343
Cost of service rendered	1,195,741,601	1,201,844,120
TOTAL	**3,331,934,028,293**	**7,914,359,054,812**

25. FINANCE EXPENSES

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Interest expense	57,426,505,100	47,822,633,162
Realised foreign exchange losses	148,349,574	4,090,425,276
Reversal of provision for investments	(10,324,532,250)	-
Others	51,850,170	659,067,419
TOTAL	**47,302,172,594**	**52,572,125,857**

26. OTHER INCOME AND EXPENSES

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Other income	**44,370,964,888**	**11,409,350,243**
Proceeds from transfer of leased land lot	16,275,890,000	-
Proceeds from disposal of fixed assets	11,768,380,455	626,254,546
Proceeds from transfer of retail gas distribution system	9,950,000,000	-
Penalty received from contract cancellation	-	4,984,345,320
Others	6,376,694,433	5,798,750,377
Other expenses	**(18,681,774,193)**	**(1,385,359,175)**
Net book value of disposed fixed assets	(11,455,091,511)	(868,206,457)
Net book value of leased land lot transferred	(7,063,200,000)	-
Others	(163,482,682)	(517,152,718)
NET	**25,689,190,695**	**10,023,991,068**

27. PRODUCTION AND OPERATING COSTS

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Raw materials	3,719,160,023,239	7,878,757,249,198
Labour costs	109,906,126,933	93,565,398,672
Tools and supplies	30,250,467,009	20,429,734,592
Depreciation and amortization *(Notes 9 and 10)*	8,658,095,333	7,800,909,384
Expenses for external services	132,539,206,351	90,668,896,829
TOTAL	**4,000,513,918,865**	**8,091,222,188,675**

28. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate of 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 interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

28.1 CIT expense

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Current CIT expense	28,961,760,212	36,494,185,554
Adjustment for under accrual of tax from prior periods	63,301,379	172,316,963
TOTAL	**29,025,061,591**	**36,666,502,517**

28.2 Current CIT

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

28. CORPORATE INCOME TAX (continued)

28.2 *Current CIT* (continued)

A reconciliation between the profit before tax on the interim consolidated income statement and taxable profit is presented below:

VND

	For the six-month period ended 30 June 2012	*For the six-month period ended 30 June 2011*
Profit before tax	**160,805,432,476**	**184,489,365,266**
Adjustments:		
Loss in subsidiaries	5,928,852,917	-
Non-deductible expenses	2,427,206,341	664,260,704
Change in severance allowance	459,586,593	-
Unrealised profit	(438,518,092)	-
Unrealised foreign exchange gains	491,154,932	-
Dividends earned	(33,253,512,000)	(28,113,587,750)
Share of profits of associates	(3,653,507,592)	-
Provision for investment in associates	(16,919,654,728)	(11,752,563,856)
Others	-	689,267,852
Estimated current taxable profit	**115,847,040,847**	**145,976,742,216**
Estimated current CIT	**28,961,760,212**	**36,494,185,554**
Adjustment for under accrual of tax from prior periods	63,301,379	172,316,963
CIT payable at beginning of period	11,560,020,640	15,985,120,454
CIT paid during the period	(11,623,170,185)	(43,958,427,440)
CIT payable at end of period	**28,961,912,046**	**8,693,195,531**

28.3 *Deferred CIT*

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

VND

	Interim consolidated balance sheet		*Interim consolidated income statement*	
	30 June 2012	*31 December 2011*	*For the six-month period ended 30 June 2012*	*For the six-month period ended 30 June 2011*
Deferred tax asset				
Unrealised profit	-	109,629,523	(109,629,523)	95,896,171
Severance allowance	1,056,259,648	941,363,000	114,896,648	-
Unrealised foreign exchange gains	(9,051,606)	(131,840,339)	122,788,733	-
TOTAL	**1,047,208,042**	**919,152,184**		
Net deferred income tax benefit credit to interim consolidated income statement			**128,055,858**	**95,896,171**

29. TRANSACTIONS WITH RELATED PARTIES

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

Related parties	*Relationship*	*Nature of transaction*	*VND* *Amount*
Dong A Joint Stock Commercial Bank	Related party	Dividends received	32,336,850,000
Saigon Fuel Joint Stock Company	Associate	Dividends received	10,269,416,000
Dong A Land Joint Stock Company	Associate	Construction service	9,352,835,297
Que huong Liberty Joint Stock Company	Related party	Dividends received	916,662,000

The outstanding balances due from and due to related parties as at 30 June 2012 as follows:

Related party	*Relationship*	*Nature of transaction*	*VND* *Payable*
Trade payable			
Dong A Land Joint Stock Company	Associate	Construction services	167,783,945

30. OPERATING LEASE COMMITMENTS

The Group leases retail shops and warehouse under operating lease arrangements. Future rental amounts due under such operating leases after 30 June 2012 were as follows:

		VND
	31 June 2012	*31 December 2011*
Within 1 year	64,021,536,840	21,192,355,804
From 1 to 5 years	18,652,735,047	45,621,374,261
Over 5 years	3,954,808,532	37,835,623,916
TOTAL	**86,629,080,419**	**104,649,353,981**

31. SEGMENT INFORMATION

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

The Group is principally engaged in trading gold, silver, jewelry, accessories and gemstone; trading gasoline and gas cylinders; and provision of jewelry inspection service.

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

The Group operates in one geographical segment which is Vietnam.

31. SEGMENT INFORMATION (continued)

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

VND

	Gold, silver and jewelry	*Accessories*	*Gasoline and gas cylinders*	*Jewelry inspection services*	*Elimination*	*Total*
For the six-month period ended 30 June 2012:						
Revenue						
Sales to external customers	*3,379,039,658,492*	*3,016,331,356*	*314,717,065,705*	*7,250,403,900*	*(15,047,859,089)*	*3,688,975,600,364*
Sales deduction	*(26,979,095,547)*	-	*(39,106,150)*	-	-	*(27,018,201,697)*
Total revenue	**3,352,060,562,945**	**3,016,331,356**	**314,677,959,555**	**7,250,403,900**	**(15,047,859,089)**	**3,661,957,398,667**
Results						
Segment gross profit	*298,134,481,409*	*918,409,777*	*24,915,816,889*	*6,054,662,299*	-	*330,023,370,374*
Unallocated expenses						*(197,311,305,760)*
Finance income						*46,052,842,192*
Finance expenses						*(47,302,172,594)*
Other profit						*29,342,698,264*
Net profit before CIT						*160,805,432,476*
CIT expense						*(28,897,005,733)*
Net profit for the year						**131,908,426,743**
Assets and liabilities						
Segment assets	*2,600,142,619,075*	-	*237,180,689,718*	*11,104,363,887*	*(48,407,234,855)*	*2,800,020,437,825*
Unallocated assets						*6,700,132,425*
Total assets						**2,806,720,570,250**
Segment liabilities	*1,382,328,212,268*	-	*130,015,367,202*	*613,041,652*	*(9,604,998,308)*	*1,503,351,622,814*
Unallocated liabilities						*74,818,677,481*
Total liabilities						**1,578,170,300,295**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2012

31. SEGMENT INFORMATION (continued)

	Gold, silver and jewelry	*Accessories*	*Gasoline and gas cylinders*	*Jewelry inspection services*	*Elimination*	*Total*
For the six-month period ended 30 June 2011:						
Revenue						
Sales to external customers	*7,992,397,636,964*	*2,859,696,027*	*323,261,222,008*	*10,565,007,064*	*(15,451,940,190)*	*8,313,631,621,873*
Sales deduction	*(33,916,781,991)*	-	*(33,120,500)*	-	-	*(33,949,902,491)*
Total revenue	**7,958,480,854,973**	**2,859,696,027**	**323,228,101,508**	**10,565,007,064**	**(15,451,940,190)**	**8,279,681,719,382**
Results						
Segment gross profit	*322,092,130,239*	*1,023,720,684*	*32,843,650,703*	*9,363,162,944*	-	**365,322,664,570**
Unallocated expenses						*(174,496,715,963)*
Finance income						*31,992,814,388*
Finance expenses						*(52,572,125,857)*
Other profit						*14,242,728,128*
Net profit before CIT						*184,489,365,266*
CIT expense						*(36,570,606,346)*
Net profit for the year						**147,918,758,920**
Assets and liabilities						
Segment assets	*2,708,215,940,212*	-	*276,259,991,928*	*11,856,429,613*	*(75,309,849,017)*	*2,921,022,512,736*
Unallocated assets						*7,090,109,989*
Total assets						**2,928,112,622,725**
Segment liabilities	*1,476,065,764,134*	-	*164,375,607,385*	*1,297,715,251*	*(25,874,977,581)*	*1,615,864,109,189*
Unallocated liabilities						*155,160,131,949*
Total liabilities						**1,771,024,241,138**

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities are loans, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operation. The Group has trade and other receivables, cash, cash equivalents and short-term deposits that arise directly from its operations. The Group does not hold or issue any derivative financial instruments

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

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

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

Market risk

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

The sensitivity analyses in the following sections relate to the position as at 30 June 2011 and 30 June 2012.

Interest rate risk

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

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

Interest rate sensitivity

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate sensitivity (continued)

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

	Increase/decrease in basis points	*VND* *Effect on profit before tax*
For the six-month period ended 30 June 2012		
VND	+300	(8,715,600,312)
Gold	+100	(4,915,694,957)
VND	-300	8,715,600,312
Gold	-100	4,915,694,957
For the six-month period ended 30 June 2011		
VND	+300	(13,475,039,233)
Gold	+100	(4,998,136,600)
VND	-300	13,475,039,233
Gold	-100	4,998,136,600

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US$ exchange rate and gold price, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	*Change in gold rate*	*VND* *Effect on profit before tax*
For the six-month period ended 30 June 2012			
	+3%	+5%	27,352,788,095
	-3%	-5%	(27,352,788,095)
For the six-month period ended 30 June 2011			
	+3%	+5%	(23,743,014,370)
	-3%	-5%	23,743,014,370

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Equity price risk

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

At the reporting date, the exposure to listed and unlisted equity securities at fair value was VND 502,441,408,400 (31 December 2011: VND 453,620,464,150). A decrease of 10% in the value of the listed and unlisted securities could have an impact of approximately VND 50,244,140,840 (31 December 2011: VND 45,362,046,415) on the Group's profit before tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed and unlisted securities would increase Group's profit before tax by VND 50,244,140,840 (31 December 2011: VND 45,362,046,415).

Commodity price risk

The Group exposes to commodity price risk in relation to purchase of certain commodities. The Group manages its commodity price risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, production plans and inventories level. The Group does not employ any derivative financial instruments to hedge its commodity price risk.

Credit risk

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

Trade receivables

Customer credit risk is managed by the Group based on its established policy, procedures and control relating to customer credit risk management. The Group's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer. Most of the Group's sales are cash sale which are not exposured to the credit risk.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, 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 in accordance with the Group's policy. The Group's maximum exposure to credit risk for the components of the interim consolidated balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Group evaluates the concentration of credit risk in respect to bank deposit as low.

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 bank loans deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

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

	Less than 1 year	*From 2 to 5 years*	*VND* *Total*
30 June 2012			
Loans	578,705,180,244	719,267,310,383	1,297,972,490,627
Trade payables	59,824,488,894	-	59,824,488,894
Other long term liabilities	-	59,046,698,861	59,046,698,861
Other payables and accrued expenses	28,615,633,017	-	28,615,633,017
TOTAL	**667,145,302,155**	**778,314,009,244**	**1,445,459,311,399**
31 December 2011			
Loans	604,356,835,868	730,658,754,727	1,335,015,590,595
Trade payables	123,648,989,802	-	123,648,989,802
Other long term liabilities	-	62,532,121,564	62,532,121,564
Other payables and accrued expenses	142,192,175,513	-	142,192,175,513
TOTAL	**870,198,001,183**	**793,190,876,291**	**1,663,388,877,474**

Collateral

The Group has pledged its fixed assets and leased land lot with their respective the value of VND 183,385,894,511 and VND 22,355,837,937, and the Group's DAB shares amounting to VND 370,000,000,000 in order to fulfil the collateral requirements for the loans obtained from commercial banks *(Notes 14 and 21)*.

The Group did not hold any collateral at 30 June 2012 and 31 December 2011.

33. 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 interim consolidated financial statements.

VND

	Carrying amount				*Fair value*	
	30 June 2012		*31 December 2011*		*30 June 2012*	*31 December 2011*
	Cost	*Provision*	*Cost*	*Provision*		
Financial assets						
Other long-term investments	513,241,408,400	(10,800,000,000)	474,745,158,400	(21,124,694,250)	502,441,408,400	453,620,464,150
Short-term deposit	105,000,000,000	-	70,000,000,000	-	105,000,000,000	70,000,000,000
Trade receivables	41,541,890,264	-	39,634,363,771	-	41,541,890,264	39,634,363,771
Other receivables	46,282,786,506	-	22,790,855,759	-	46,282,786,506	22,790,855,759
Cash and cash equivalents	279,475,688,995	-	371,381,237,854	-	279,475,688,995	371,381,237,854
	985,541,774,165	**(10,800,000,000)**	**978,551,615,784**	**(21,124,694,250)**	**974,741,774,165**	**957,426,921,534**

	Carrying amount		*Fair value*	
	30 June 2012	*31 December 2011*	*30 June 2012*	*31 December 2011*
Financial liabilities				
Loans	1,297,972,490,627	1,335,015,590,595	1,297,972,490,627	1,335,015,590,595
Trade payables	59,656,704,949	119,165,943,802	59,656,704,949	119,165,943,802
Payables to related parties	167,783,945	4,483,046,000	167,783,945	4,483,046,000
Other long term liabilities	59,046,698,861	62,532,121,564	59,046,698,861	62,532,121,564
Other payables and accrued expenses	28,615,633,017	142,192,175,513	28,615,633,017	142,192,175,513
	1,445,459,311,399	**1,663,388,877,474**	**1,445,459,311,399**	**1,663,388,877,474**

33. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

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

- Cash, cash in bank, cash equivalents and short-term deposits, trade and other receivables, trade and other payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of loans from banks is estimated by discounting future cash flows using rates currently available for debts for debt on similar terms, credit risk and remaining maturities. As at 30 June 2012, the carrying amounts of such borrowings, are not materially different from their calculated fair values.

34. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the interim consolidated cash flow statement have been reclassified to reflect the presentation of the current period's financial statements.

	30 June 2012 (previously presented)	*Reclassification*	*30 June 2012 (reclassified)*
Depreciation and amortization	20,352,658,174	(12,551,748,790)	7,800,909,384
Decrease in payables	(37,691,997,306)	(7,182,897,453)	(44,874,894,759)
Decrease in prepaid expenses	-	20,429,734,592	20,429,734,592

35. EVENTS AFTER THE BALANCE SHEET DATE

On 5 April 2012 and 15 July 2012, the Group received the payments from Totalgaz amounting to VND 35,000,000,000 and VND 68,000,000,000, respectively in relation to the transfer of its shares in DVC.

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

Dang Thi Lai
Chief Accountant

CÔNG TY CỔ PHẦN VÀNG BẠC ĐÁ QUÝ PHÚ NHUẬN

Cao Thi Ngoc Dung
General Director

29 August 2012