



# HAGL Group

HOANG ANH GIA LAI JOINT STOCK COMPANY



## Diversity and Sustainability



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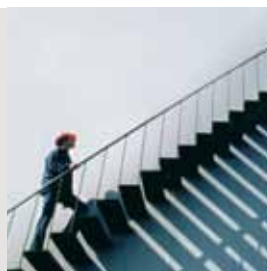
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## ANNUAL REPORT 2009

Unity is power

**H**igh aspirations for sustainability  
**A**stute market knowledge  
**G**enerating added value  
**L**egacy of care and share





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## Vision

To become the leading diversified multi-sector group in Vietnam with sustainable development operations in rubber, hydro-power, mining and real estate businesses.

## Mission

To maintain the continuous creativity and strive to continue to produce quality products and provide good services at reasonable costs.

To provide competitive employee benefits, both in terms of monetary remuneration and employee development in order to motivate employees to create value for shareholders and the general society.



Headquarters of Hoang Anh Gia Lai Group

# Operations and Development

Initially established as a small wood processing factory, and now a diversified group with a charter capital of VND 2,704 billion, total assets of VND 12,196 billion and market capitalization of VND 22,719 billion; currently owns and manages 26 real estate projects with total floor area of more than 2.5 million m<sup>2</sup>.



## Important events

**Establishment:** Hoang Anh Sole-Proprietorship Enterprise, the predecessor of Hoang Anh Gia Lai Joint Stock Company, was established in 1993.

**Conversion to a joint stock company:** In 2006, the sole proprietorship enterprise was converted to a joint stock company and renamed as Hoang Anh Gia Lai Joint Stock Company.

**Share listing:** The Group shares were officially listed in the Ho Chi Minh City Stock Exchange on 22 December 2008.

## Business development

### Business activities

- Build and operate high-class apartments and offices for lease;
- Plant and produce rubber products;
- Invest and explore hydro-power generation;
- Explore and process mining resources;
- Produce and distribute wooden furniture and granite stones; and
- Other supporting activities

Initially...	established as a small wood processing factory.
...and now	a diversified group with a charter capital of VND 2,704 billion, total assets of VND 12,196 billion and market capitalization of VND 22,719 billion.
	one of the leading real estate companies in Vietnam and have constructed projects not only in Vietnam but also in Laos and Thailand; revenue from real estate operations comprised more than 75% of our total revenue; currently owns and manages 26 real estate projects with total floor area of more than 2.5 million m <sup>2</sup> .



# Operations and Development

## Operations

- **1993**
  - Commenced operations of a wooden furniture processing factory in Gia Lai province
- **2002**
  - Opened the granite processing factory
  - Opened another wooden furniture processing factory in Gia Lai province
  - Established Hoang Anh Gia Lai Football Club following its transfer from the People's Committee of Gia Lai province
- **2004**
  - Commenced operations of Hoang Anh Gia Lai Resort Qui Nhon
- **2005**
  - Commenced operations of Hoang Anh Gia Lai Da Lat Resort
- **2006**
  - Commenced operations of Hoang Anh Gia Lai Pleiku Hotel
  - Completed and delivered Le Van Luong high-class apartments to customers in Ho Chi Minh City
- **2007**
  - Commenced the construction of New Saigon high-class apartments
  - Commenced the construction of hydro-power plants, Daksrong 2 and Daksrong 2A in Gia Lai Province
  - Commenced operations of Hoang Anh Gia Lai Safomec office building in Ho Chi Minh City
  - Commenced operations of Hoang Anh Gia Lai Hotel Plaza in Da Nang
  - Signed a strategic cooperation agreement with Arsenal (UK), a worldwide famous football club
  - Opened Hoang Anh Gia Lai Arsenal JMG Football Institute
  - Commenced the construction of Phu Hoang Anh high-class apartments in Ho Chi Minh City
  - Commenced the construction of Hoang Anh Can Tho high-class apartments
  - Received 5,000ha of land from the Laos Government for rubber plantation
- **2008**
  - Signed a USD 19 million sponsorship contract with the Laos Government to build the 25<sup>th</sup> SEA Games Athletes Village
  - Signed a project development contract and received investment license for the development of a 10,000ha rubber plantation in Attapeu Province, Laos
  - Completed and delivered the high-class apartments on Tran Xuan Soan Street in Ho Chi Minh City and Hoang Van Thu Street in Pleiku City
  - Signed strategic cooperation agreements with BIDV and Sacombank
  - Commenced the construction of Hoang Anh River View high-class apartments in Ho Chi Minh City
  - Commenced the construction of Hoang Anh Dak Lak high-class apartments
  - Issued bonus shares to the shareholders at a ratio of 100:49.9
  - Received 8,000ha of land from the People's Committee of Gia Lai Province for rubber plantation
- **2009**
  - Commenced the construction of Golden House high-class apartments in Ho Chi Minh City
  - Commenced the construction of Ho Thac Gian high-class apartments in Da Nang City
  - Commenced the construction of Ba Thuoc 1 and Ba Thuoc 2 hydro-power plants with total capacity of 140MW in Thanh Hoa Province
  - Commenced the construction of Daksrong 3B hydro-power plant with total capacity of 19.5MW in Gia Lai Province
  - Commenced the construction of Dakpsi 2B hydro-power plant with total capacity of 14MW in Kon Tum Province
  - Completed and delivered the New Saigon high-class apartments
  - Completed and delivered the 25<sup>th</sup> SEA Games Athletes Village to the Laos Government
  - Received licenses from the Laos Government for the construction of two hydro-power plants with total capacity of 110MW on Nam Kong river
  - Received license from the Laos Government for

the survey of an iron quarry with total reserve of 20 million tons; the survey has been completed and the quarry is now ready for exploitation

- Received license from the Cambodian Government for the survey of an iron quarry with total reserve of 30 million tons; the survey has been completed and the quarry is now ready for exploitation
- Received a land area of 12,000ha from the Cambodian Government for rubber plantation
- Received a land area of 3,000ha from the People's Committee of Dak Lak Province for rubber plantation
- Received license from the People's Committee of Thanh Hoa province for the survey of 3 iron mines in the Western districts of Thanh Hoa
- Revised the projected annual profit before tax from VND 1,150 billion to VND 1,400 billion and further increased it to VND 1,700 billion
- Issued bonus shares to the shareholders at a ratio of 2:1
- Issued convertible bonds with total proceeds of VND 1,450 billion

## Development direction

### Main goals

- The Group goal is to maintain fast and sustainable development in the future. In 2012, rubber, hydro-power and mining operations, together with real estate, will be the core businesses of the Group.
- The Group aims to be the leading real estate company in Vietnam.

### Medium-term business plan

The Group will continue to focus on its core and highly profitable operations such as real estate, production and distribution of wooden furniture, in order to accumulate capital.

### Long-term business plan

The Group will focus on rubber plantation and processing (51,000ha), mining exploitation and processing (60 million tons of iron ore) and hydro-power (with total capacity of 420MW). These industries are critical for the sustainable and long-term development of the Group.



Hoàng Anh Tân Phú Project, HCMC

## High aspirations for sustainability

In line with its goal of a fast and sustainable development, Hoang Anh Gia Lai has made significant investments in new potential sectors such as rubber plantation, mining and hydro-power. These new investments are made possible by the successful real estate, wooden furniture and granite production businesses of the Group. Hoang Anh Gia Lai believes that these investments, together with its core businesses, will support each other, in order to improve the business results and overcome difficulties arising from changes in the market and economy.







# Message from The Chairman of the Board of Management



## Dear shareholders and potential investors!

In 2009, the Vietnam economy recovered from the turbulence, but the macro-economic fundamentals were not robust enough to return the economy to pre-crisis stage. During the early months of 2009, the Government implemented various economic stimulus packages and relaxed a number of monetary policies to boost the economy, which enabled the manufacturing, service, financial and real estate sectors to recover gradually. However, subsequent monetary policies implemented towards the end 2009 to control inflation led to a tightness in liquidity, thereby increasing cost of funds that curtailed the pace of economic recovery.

With valuable experience gathered from the course of daily management of the Group's operations, especially those gained in 2008 when the economy was at its most challenging period, the Board of Management and the Board of Directors identified and took advantage of various market opportunities that underpinned the success in 2009 operations and set the stage for sustainable growth in the following years. The profit before tax of VND 1,744 billion in 2009 is a proud achievement to which the management and employees of Hoang Anh Gia Lai have jointly contributed their best efforts.

Following the achievements of 2009, Hoang Anh Gia Lai has set up a business plan for 2010 to reach pre-tax profits of VND 2,681 billion, an increase of 53.7% compared with 2009. The profit structure in 2010 is expected to move towards mining and hydro-power businesses that will gradually create stability for the future development of Hoang Anh Gia Lai.

For long-term strategic development, Hoang Anh Gia Lai will pursue its policy of business diversification around development and utilization of natural resources to create and improve shareholder values. The investment targets for the business sectors are as follows:

**Real estate:** Our objective is to build 2.5 million m<sup>2</sup> of apartments and offices for lease. Armed with valuable construction cost management experience and effective construction process with Group-owned construction capabilities, furniture production and granite stones factory, Hoang Anh Gia Lai will continue to maintain competitive advantage in the market. Profit and cash flows from the real estate business will be used for investments in new potential industries such as rubber, hydro-power and mining industries.

**Rubber plantation and processing:** Our target is to plant 51,000ha of rubber trees in the Central Highland of Vietnam, Laos and Cambodia. Rubber trees have high economic value. Rubber latex is used in the manufacturing industry while rubber wood is used in the wooden furniture processing sector. This business does not require a large investment capital but can generate high cash flows and provide stable profit stream when it reaches development or production stage. Hoang Anh Gia Lai has the advantages of having low cost land lots, skilled and experienced agro-forestry officers and staffs which are considered critical success factors for businesses in the rubber industry.

**The development and investment strategies of Hoang Anh Gia Lai are founded on methodological and critical thinking with the goals of providing the best benefits to the shareholders in particular and society in general.**

**Hydro-power:** To date, Hoang Anh Gia Lai was granted licenses for 17 projects in the Central Highland of Vietnam, Thanh Hoa and Laos with total capacity of 420MW. The estimated investment capital for these projects is approximately VND 7,560 billion. The hydro-power industry is capital intensive but generates the most stable cash flows and will balance the cash flow requirement of the Group in the future.

**Iron ore exploitation and processing:** Our objective is to exploit and process 60 million tons of iron ore reserves in mines in the Central Highland of Vietnam, Thanh Hoa, Laos and Cambodia. Hoang Anh Gia Lai is licensed to survey an iron mine in Laos with estimated reserves of 20 million tons, an iron mine in Cambodia with estimated reserves of 30 million tons and some iron mines in the Central Highland of Vietnam and Thanh Hoa with total estimated reserves of 10 million tons. This industry is not capital intensive but can generate very high profit. Demands for iron ore in the world, especially in emerging markets such as China, are always high. Massive volumes of refined iron ores can be reserved for a long period of time and can be sold easily. This industry will be a contributing factor to stabilize the profit of the Group.

**Traditional businesses:** The wooden furniture and granite stones production continue to create competitive advantages for the real estate business by integrating it with high quality but lower cost furniture and granite stones. With a strong brand recognized in both the domestic and international market for nearly 20 years, Hoang Anh Gia Lai's wooden products are highly trusted by customers, thereby enabling the Group to maintain production and provide stable jobs for the employees.

**Football:** The sport continues to be considered as the most effective marketing tool for our brand. The Group invests in modern facilities as part of a prudent strategy that contributes to critical success factors for the future. Hoang Anh Gia Lai brand is always placed prominently in each game. The Group continues to strive to build a strong and united team that puts its heart in every game, much to the satisfaction of the audience.

The development and investment strategies of Hoang Anh Gia Lai are founded on methodological and critical thinking. We undertake to pursue these goals to provide the best benefits to the shareholders in particular and society in general. Our performance and achievements in 2009 and the previous years are the initial testament to this commitment.

On behalf of the management and all employees, I would like to express my gratitude to the shareholders and investors for your support and belief in the success of Hoang Anh Gia Lai.

Chairman of the Board of Management  
Hoang Anh Gia Lai Joint Stock Company



DOAN NGUYEN DUC



# Report of The Board of Management



**Hoang Anh Gia Lai believes that its corporate culture, effective operations, quality and cost advantages over other companies and strong and experienced workforce united by a common goal will help in overcoming difficulties and achieving these objectives.**

## **Outstanding result of operations during the year**

The outstanding achievements of Hoang Anh Gia Lai in 2009 mainly came from our successful real estate business and prudent financial management activities. This success resulted in the Group accumulating a significant amount of cash available for investment in new and potential businesses such as rubber plantation, hydro-power and mining projects.

### **Real estate business**

In 2009, Hoang Anh Gia Lai successfully launched the "bold price reduction initiative". Immediately after the Lunar New Year, Hoang Anh Gia Lai aggressively adjusted down the selling price of its Hoang Anh River View project from USD 2,300/m<sup>2</sup> to USD 1,350/m<sup>2</sup> and from USD 1,800/m<sup>2</sup> to USD 1,250/m<sup>2</sup> for its Phu Hoang Anh project which resulted to an increased demand from customers. As at 31 December 2009, 89% and 76% of Hoang Anh River View and Phu Hoang Anh, respectively, had already been sold. Furthermore, in the fourth quarter of 2009, Hoang Anh Gia Lai also sold all 996 units of Hoang Anh Golden House apartments via a wholesale transaction. These successful sale transactions resulted in the revision of the budgeted pre-tax profit twice: the first revision from VND1,150 billion to VND 1,400 and the second to VND1,700 billion.

The details of revenue per real estate project recorded in 2009 are shown below:

Project	% HAGL interest	Land area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	No. of apartments (unit)	% of completion	% sold	Revenue recorded in 2009 (VND billion)
New Saigon	89%	26,000	152,000	1,104	100%	100%	861
Hoang Anh River View	100%	14,709	123,525	600	68%	89%	1,340
Phu Hoang Anh (Phase 1)	94%	23,810	134,841	829	45%	76%	599
Hoang Anh Golden House (An Tien)	87%	39,575	203,777	996	22%	100%	527
Others							47
Total							3,374

#### Financial and cash flow management activities

The Group's management anticipated that monetary policies were to be tightened at the end of 2009 and early 2010 and hence decided to issue convertible bonds and raised a total cash of VND 1,450 billion that helped the Group to deal with the impact of limited liquidity in the economy to finance ongoing projects and operations. As at 31 December 2009, the Group's cash balance was at VND 1,944 billion.

In 2009, Hoang Anh Gia Lai also successfully managed its overall finances. The Group's net cash flows from operating activities reached VND 1,083 billion, cash outflow for investment activities reached VND 1,673 billion while its net outstanding loans only increased by VND 694 billion, thereby preserving the proceeds of the convertible bonds of VND 1,450 billion as well as the brought forward cash balance of VND 531 billion.

#### Actual performance versus plan

In 2009, Hoang Anh Gia Lai adjusted its business plan twice following the success of its operations. It originally increased its projected pre-tax profit from VND 1,150 billion to VND 1,400 billion and further increased the amount to VND 1,700 billion during the year. Based on the audited consolidated financial statements, profit before tax was VND 1,744 billion, an increase of 51.65% compared with the original plan and 73% higher in comparison with 2008. The favorable actual result over plan was due to the successful sale of the Hoang Anh River View and

Phu Hoang Anh projects following the aggressive adjustment of selling price offered to customers at a reasonable level in early 2009 as well as the wholesale of all 996 units of Hoang Anh Golden House apartments.

#### Main development during the year

During the year, the Board of Management implemented various important programs which contributed to the success of the Group. The Group's strategic objectives were clearly set out, focusing on four key areas: rubber plantation, hydro-power, mining and real estate. The initial results achieved during the implementation of this strategy are summarized as follows:

- **Rubber plantation:** At the end of 2009, Hoang Anh Gia Lai has planted 12,000ha of rubber trees in Vietnam and Laos and concurrently performed reclamation and germination of seedlings for a new plantation of 12,000ha in 2010. The remaining 27,000ha will be planted in 2011 and 2012.
- **Real estate:** During the year, the Group has completed and turned over New Saigon apartments to customers. Following the completion of this project, the Group has been focusing on the ongoing construction of Hoang Anh River View, Phu Hoang Anh - Phase 1 and Hoang Anh Golden House projects. The Group also accelerated the preparation to start the construction of the Kinh Te office project, Phu Hoang Anh apartment project – Phase 2, Hoang Anh Incomex and Hoang Anh Tan Phu apartment projects in 2010.

# Report of The Board of Management



- **Hydro-power:** The Group expedited the ongoing construction of the two hydro-power projects - Daksrong 2 and Daksrong 2A (with the total capacity of 42MW) in Gia Lai Province in order to supply power in Quarter II of 2010. In Quarter II of 2009, it also commenced the construction of Ba Thuoc 1 and 2 hydro-power projects in Thanh Hoa Province with the total capacity of 140MW. During Quarter IV, the Group also commenced the construction of Daksong 3B project with total capacity of 19.5MW. The Group also acquired the majority of voting rights in Hoang Anh Ban Me Joint Stock Company to own two hydro-power projects, Dakpsi 2B and 2C with total capacity of 26MW. The construction of the Dakpsi 2B plant with total capacity of 14MW commenced in April 2009. The Group has been granted by the Laos Government with two hydro-power projects on the Nam Kong river with total capacity of 110MW. The remaining projects will be initiated in 2011 and completed in 2012.
- **Mining:** The Group received a license from the Laos Government to survey an iron mine with estimated reserves of about 20 million tons. Furthermore, it also received a license from the Cambodian Government to conduct a survey of an iron mine with estimated reserves of approximately 30 million tons. The Group has imported and installed ore separating and refining systems for the production plan of 400,000 tons of refined ore in 2010, 1 million tons in 2011 and 1.5 million tons in 2012.

## Prospects and future plans

The Board of Management believes that Vietnam and the world economy will recover in mid-2010 and will achieve strong growth in 2012. The improvement in economy will rapidly increase demand in latex, steel and electricity. To achieve further growth potential and stabilized cash flows, Hoang Anh Gia Lai will further diversify its portfolio and invest in new industries to meet the expected demand following the growth of the Vietnamese economy. Hoang Anh Gia Lai's profit structure will be moving significantly towards new industries and will no longer depend on its real estate business as its main source of revenue.

The projected improvement in economy will generally result in the improved income per capita and purchasing power of consumers which will, in turn, provide favorable conditions for Hoang Anh Gia Lai to continue its development of apartment projects. The Group will balance its financial resources in order to build a number of apartment buildings in 2010 at reasonable prices such as Phu Hoang Anh - Phase 2 project, Hoang Anh Incomex and Hoang Anh Tan Phu projects which will cater to medium income earners.

In recognition of the high office rental rates in the Central Area of Ho Chi Minh City which has been pulling down the investment competitiveness of the





Vietnamese economy, Hoang Anh Gia Lai will help address such issues by constructing an office building near Kinh Te Bridge, District 7, Ho Chi Minh City with a total net floor area of 121,600 m<sup>2</sup>, inclusive of two floors for commercial center purposes and three parking floors that can accommodate around 2,000 vehicles. Hoang Anh Gia Lai plans to offer a monthly estimated rental rate of USD 15-20 per m<sup>2</sup>/month.

In support of the Vietnam - Laos friendship which has been built and maintained by the Governments of the two countries, Hoang Anh Gia Lai is also committed to contribute to the development of the Laos economy. It has investments in rubber plantation in the Southern area of Laos in addition to the survey activities it conducted for hydro-power and mining projects. Hoang Anh Gia Lai believes that Laos has a good investment environment and investments in these projects will generate positive results for the Group. At the same time, the Group can make a positive contribution to Laos' socioeconomic development.

With the Group achievements in Laos, Hoang Anh Gia Lai is also preparing to make significant investments in Cambodia. The Group is interested in rubber plantation (target: 15,000ha) and mining of iron ores (target: 30 million tons).

Hoang Anh Gia Lai is also conducting a survey on the possibility of investing in rubber plantation, mining and real estate in Myanmar.

In summary, Hoang Anh Gia Lai always aims at achieving a sustainable development strategy, creating new value for society in general and for its shareholders as well as its employees, in particular. The Group believes that its corporate culture, effective operations, quality and cost advantages over other companies and strong and experienced workforce united by a common goal will help in overcoming difficulties and achieving these objectives.

The Board of Management and the Board of Directors of Hoang Anh Gia Lai always hold a firm belief that the market and business environment may be tough in the short-term, but there are also opportunities to catch up. Hoang Anh Gia Lai will remain patient and endeavor to develop projects in preparation for the economic recovery. Hoang Anh Gia Lai's development target is to achieve 50% growth per year in the period 2010 - 2012 based on the above-mentioned investment factors.

# Report of The Board of Directors



**Mr Nguyen Van Su**  
General Director

## Financial performance

ITEM	2007	2008	Profitability 2009
Profitability			
Profit after tax/Net revenue	39.19%	40.69%	29.48%
Profit after tax/Owners' equity (ROE)	18.36%	20.52%	27.41%
Profit after tax/Total assets (ROA)	9.82%	8.63%	10.55%
Profit before tax/Net revenue	54.77%	53.50%	39.94%
Operating			
Net revenue/Total assets	0.25	0.21	0.36

Both ROE and ROA in 2009 posted an increase over 2008. The increase was because the profit after tax for 2009 increased by 68% compared to 2008, while equity and total assets only increased by 26% and 37%, respectively.

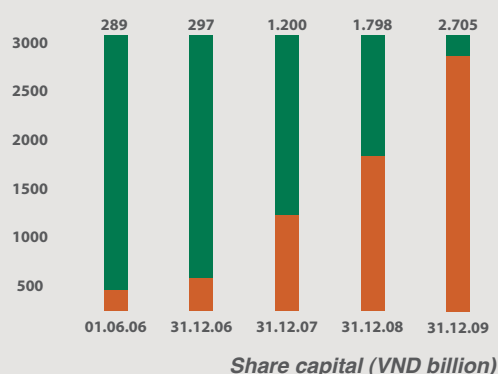
## Liquidity

ITEM	2007	2008	2009
Liquidity			
Current ratio: Current assets/Current liabilities	2.26	1.78	1.72
Quick ratio: (Current assets-Inventories)/Current liabilities	1.49	1.05	1.21
Capital structure			
Total liabilities/Total assets	0.23	0.35	0.43
Total liabilities/Owners' equity	0.43	0.83	1.12

The convertible bonds of VND 1,450 billion were presented as short-term loans in the consolidated financial statements as at 31 December 2009. Hoang Anh Gia Lai believes that investors will exercise its conversion right. Accordingly, the liabilities will decrease and the owners' equity will increase correspondingly by this amount which will result in the improvement of liquidity and debt to equity ratio.

### Changes in share capital

On 18 November 2009, the Department of Planning and Investment of Gia Lai Province issued the thirteenth amended Business Registration Certificate of the Group. Based on the amended Business Registration Certificate, the revised charter capital of the Group amounted to VND 2,704,654,580 thousand divided into 270,465,458 shares at VND 10,000 per share.



### Number of shares

The Group has a total of 270,465,458 outstanding shares listed in the Ho Chi Minh City Stock Exchange as at 31 December 2009.

### Outstanding bonds

- In October 2009, the Group issued 1,450,000 units of convertible bonds with a face value of VND 1,000,000 per unit to some investors. The bonds are interest-free and convertible into the Group ordinary shares after one year or earlier at the option of the holders. The conversion price is the average closing market price of the Group shares within 15 consecutive trading days before the last purchase registration date on 6 October 2009 discounted by 20%, and will be adjusted according to the effect of any bonus shares issuance subsequently so as to ensure the unchanged percentage of ownership of investors.

- In September 2008, the Group issued a total of VND 650 billion two-year and three-year straight bonds with a par value of VND 1 billion per unit. The two-year term bonds aggregating to VND 550 billion are redeemable at par value by 30 September 2010 and the three-year term bonds of VND 100 billion are redeemable at par value 30 September 2011.
- In December 2008, the Group issued a total of VND 350 billion two and three-year term straightbonds at par value of VND 1 billion per unit. The two-year term bonds aggregating to VND 100 billion are redeemable at par value by 31 December 2010 and the three-year term bonds of VND 250 billion are redeemable at par value 31 December 2011.

### Treasury shares

In 2009, the Group repurchased its HAG shares totalling 512,290 shares at an aggregate purchase cost of VND 30,091,699 thousand. These treasury shares are still in the account as at 31 December 2009.

### Earnings per share

Earnings per share in 2009 amounted to VND 4,432. The outstanding number of shares in 2009 increased by 50% compared with 2008 due to the issuance bonus shares to the shareholders in November 2009.

### Dividends and profit distribution

The net profit after tax of 2008 was distributed as follows in 2009:

- Bonus fund: 3% of profit after tax
- Welfare fund: 2% of profit after tax
- Financial reserve fund: 5% of profit after tax
- Cash dividends paid: VND 1,500/share (total dividends of VND 269,721,752 thousand)
- The remaining profit was used for expansion of operation.

As presented in the Shareholders' Meeting Resolution dated 15 September 2009 (collecting opinion by letters), the Group's shareholders approved the



# Report of The Board of Directors

issuance of bonus shares to existing shareholders at the ratio of 2:1 (2 existing shares for 1 new share); of which 40% would be funded from retained earnings of 2008 and 60% would be taken from the share premium fund. The shareholders also approved the issuance of 1,000,000 shares to employees funded from the bonus and welfare fund (total par value of VND 10,000,000 thousand).

Based on the allocation list received from Vietnam Securities Depository on 17 November 2009, the Company issued a total of 89,650,957 shares to existing shareholders and 1,000,000 bonus shares to employees using the bonus and welfare fund of VND 10,000,000 thousand.

## Liquidity and capital

As at 31 December 2008, the Group's cash balance amounted to VND 531 billion. In 2009, net cash received from operating amounted to VND 1,083 billion

and net cash spent on investing activities was VND 1,673 billion. The total proceeds from issuance of convertible bonds and the net increase in loans and borrowings amounted to VND 1,450 billion and VND 694 billion, respectively. As at 31 December 2009, the cash balance of the Group amounted to VND 1,944 billion.

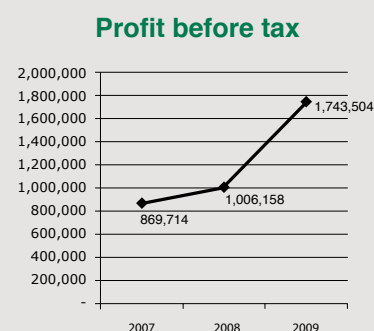
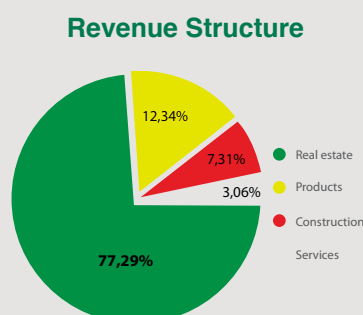
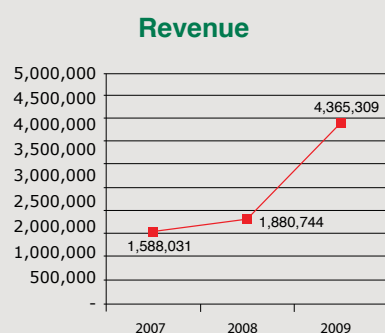
## Business activities

### Revenue

Revenue for 2009 increased by 132% compared with 2008. The main driver for the increase in revenue was the real estate business which accounted for 77.29% of the total revenue. Revenue from production, construction and services also increased compared with 2008 as can be seen in the table below. The revenue proportion will significantly changed in 2010. It is projected that revenue from rubber plantation, hydro-power and mining will have a significant proportion in the total.

VND million

Business sector	2007		2008		2009	
	Amount	%	Amount	%	Amount	%
Real estate	771,240	48.57%	1,230,884	65.45%	3,373,859	77.29%
Production	719,213	45.29%	435,479	23.15%	538,519	12.34%
Construction	17,052	1.07%	106,055	5.64%	319,243	7.31%
Services	80,526	5.07%	108,326	5.76%	133,688	3.06%
Total	1,588,031		1,880,744		4,365,309	



## Expenses

Item	2009	2008	Increase	
			Amount	%
Net revenue	4,365,309	1,880,744	2,484,565	132%
Gross profit	2,006,762	890,113	1,116,649	125%
Selling expenses	108,523	75,252	33,271	44%
General and administration expenses	162,416	125,209	37,207	30%
Interest expense	207,444	88,501	118,943	134%

VND million

In 2009, Hoang Anh Gia Lai significantly expanded its operations and investments resulting to the increase in expenses. General & administration and selling expenses increased at slower rate of 30% and 44%, respectively compared with the increase in revenue.

Interest expense increased in line with the increase in revenue. Interest expenses incurred in relation to loans related directly in financing the construction of real estate projects have been capitalized in accordance with Vietnamese Accounting Standards and charged to income statement based on the matching concept.

company culture enable the Group to reorganize and implement various internal control measures without internal resistance from its employees during the year.

Hoang Anh Gia Lai has implemented clear management model with clear segregation of functions and responsibilities. Hoang Anh Gia Lai has established adequate numbers of departments, such as Trading, Finance, Accounting, Internal Auditing, Manufacturing, Construction, Public Relation, Administrative and Human Resources, Information Technology, Overseas Investments and Legal Department in accordance with its operational requirements.

## Development achieved

### Improvement of organization structure, policy and management

The Group is clearly aware of its extremely fast growth and the demand to continuously develop its internal control system and procedures to cope with its expanding operations. The Group is committed to train and develop the existing management team to their highest potential and attract experienced and promising personnel from other large corporations in Vietnam and abroad to join the Group's workforce.

The Group believes that the training programs and success of its recruitment strategy contributed to further strengthen its organization structure, internal control system and policies. Moreover, the strong

### Management methodology

The day to day management of the business is performed through various processes including formulation of the Group's long and short term strategic plan and its implementation aside from the continuous evaluation and improvement in the Group's operations. The management team of each department conducts regular meetings to evaluate actual performance of the team against the target and/or budget so that appropriate actions can be made on a timely basis. The Group has clear guidance and policies including clear reporting system for reference. Appropriate punishments for violation in Group policies are in place while good performances are rewarded accordingly.

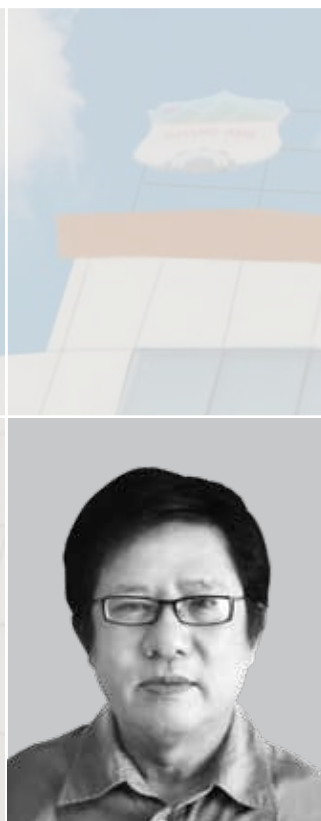
# The Board of Management



**Mr Doan Nguyen Duc**  
Chairman



**Mr Nguyen Van Su**  
Member



**Mr Nguyen Van Minh**  
Member



**Mr Le Hung**  
Member



**Mr Doan Nguyen Thu**  
Member



**Ms Vo Thi Huyen Lan**  
Member  
Jaccar Fund Representative



**Mr Vu Huu Dien**  
Member  
Dragon Capital Fund Representative



# The Board of Directors



**Mr Nguyen Van Su**  
General Director



**Mr Tra Van Han**  
Deputy General Director



**Mr Nguyen Van Minh**  
Deputy General Director



**Mr Doan Nguyen Thu**  
Deputy General Director



**Mr Le Van Ro**  
Deputy General Director



**Mr Vo Truong Son**  
Deputy General Director

# The Audit Committee



**Mr Tran Van Vui**  
Head



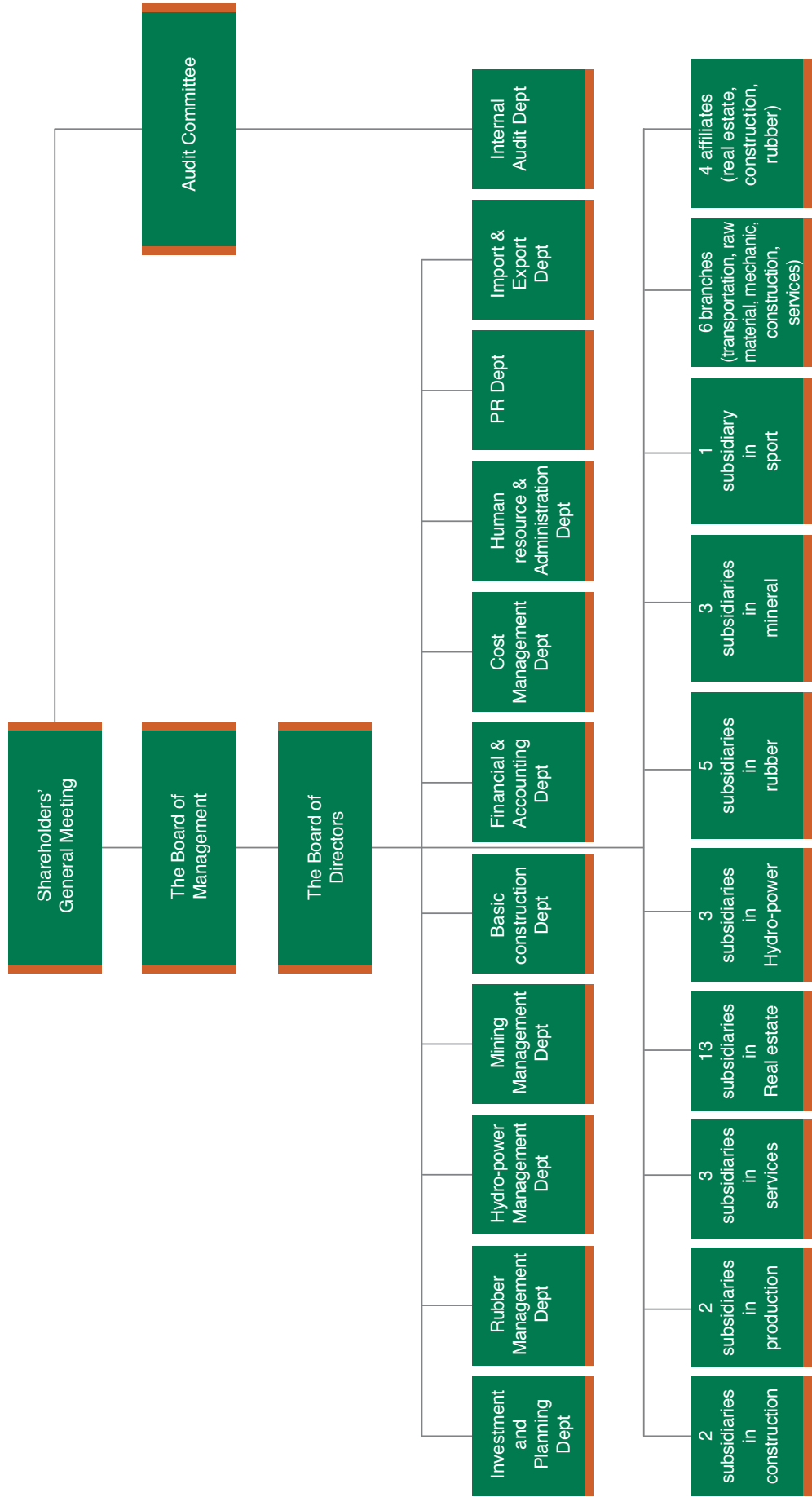
**Ms Ho Thi Kim Nga**  
Member



**Mr Nguyen Van Ton**  
Member

# Organization chart of the Group

Hoang Anh Gia Lai Group comprises the parent company with 32 subsidiaries, 6 branches and 4 affiliates organized as per the following sitemap:







A background image of a vast field of yellow flowers, possibly mustard, stretching towards a green treeline under a soft, overcast sky. The flowers are in sharp focus in the foreground and become increasingly blurred as they recede into the distance, creating a sense of depth and tranquility.

## **A**stute market knowledge

With market insights gained from years of experience and its extremely dedicated workforce, HAGL offers diversified products and services of high quality at reasonable prices. This is demonstrated by the competitive prices of its apartments, offices for lease, furniture and granite products and the low cost of investments incurred in its rubber plantation, mining and hydro-power business. These are the competitive advantages of HAGL.



# Organization and Personnel

**Hoang Anh Gia Lai ensures that all employees receive adequate training to gain skills in order to work well.**



## Organization

Hoang Anh Gia Lai operates in a parent-subsiary model. The organizational structure of the Group includes:

- The parent company and its six branches and one representative office.
- 32 subsidiaries, which the Group either owns or controls more than 50% of the voting rights.
- Four associate companies, which the Group owns 20% to 50% of the voting rights.

## Number of employees and personnel policy

### Number of employees

Year	2004	2005	2006	2007	2008	2009
Number of employees	2,500	4,890	5,900	7,098	7,291	8,745

### Working conditions

- The employees of the Group work 5.5 to 6 days per week and 8 hours a day. The working time can be revised depending on the work but should still be within the standard working hours in accordance with the Group policy. Overtime may be required from time to time to meet Group requirements.
- The employees are entitled to 1 to 1.5 days off per week. The employees who work for 12 months are entitled to 12, 14 or 16 days of annual leaves per year. If an employee works less than 12 months in a year, the annual leave entitlement will be pro-rated according to the number of working months in the year. The Group will increase the annual leave entitlement based on the number of service years, e.g. 1 additional day of annual leave for every 5 service years. In addition, the employees are entitled to 8 public holidays per year. If these public holidays fall on the same day as other holidays, the employees will be entitled to replacement leaves in the following days.





#### Recruitment and training policy

- The recruitment of new employees will be in accordance with the recruitment policy in order to ensure that new employees possess adequate qualifications, skills, experience for their positions and good work ethics and the desire to work for a long period of time for the Group. In the Group long-term, the Group prefers to employ local personnel because of their stability and high qualifications. The Group has a preferential policy for local employees with good qualifications and work ethics, who has worked in big cities and would like to work for the Group in Pleiku City.
- The Group ensures that all employees receive adequate training to gain skills in order to work well. Training of skills and other necessary techniques are conducted both internally and externally, in accordance with the Group's training plan prepared at the beginning of the year.
- In 2009, the Group held two training courses on accounting, taxation and control (February and December).
- In order to implement effective training programs, the Group and its employees sign agreements to reinforce their commitments of duties and benefits during the training period, and number of service years after the training.
- Labor safety policy is the most important policy of the Group. HAGL Group focuses on workers safety training before they commence their employment, and provide adequate labor safety equipment such as shirts, hats, shoes, glasses, depending on their working requirements.
- The Group issues rules on labor safety and environmental sanitation, and conducts frequent work safety inspection at construction sites. The Group established the Labor Safety Committee to implement the Labor Safety System.



## Products and services

# Real estate



Hoang Anh Golden House

## Products and services

### Real estate



Hoang Anh Gia Lai has focused on the development of apartments and offices for lease in Ho Chi Minh City and other major cities in Vietnam. The Group has the advantages of offering reasonable prices compared to its competitors mainly because it has land acquired in previous years at lower cost, has a large construction company with an experienced workforce and has furniture and granite factories to take part in a closed construction process.

The Group forecasted that revenue in 2009, 2010 and 2011 will be mainly generated from real estate projects in Ho Chi Minh City. Based on the Group's business plan for 2010 to 2012, Hoang Anh Gia Lai will launch in the market 2,000 apartments each year.

**2,000 apartments**  
each year from 2010 to 2012

Based on the Group's business plan for 2010 to 2012, Hoang Anh Gia Lai will launch in the market 2,000 apartments each year.





# Products and services

## Real estate

### Completed projects:

- New Saigon apartments – Nha Be District, Ho Chi Minh City: 1,104 units with total construction floor area of 176,685 m<sup>2</sup>
- Le Van Luong apartments – District 7, Ho Chi Minh City: 450 units with total construction floor area of 63,955 m<sup>2</sup>
- Tran Xuan Soan apartments – District 7, Ho Chi Minh City: 463 units with total construction floor area of 80,526 m<sup>2</sup>
- Hoang Van Thu apartments – Gia Lai Province: 157 units and 3,290 m<sup>2</sup> for commercial with total construction floor area of 24,574 m<sup>2</sup>
- Dam Sinh Thai apartments – Quy Nhon Province: 560 units with total construction floor area of 84,706 m<sup>2</sup>
- Office for lease – Thanh Thai Street, District 10, Ho Chi Minh City with total construction floor area of 8,359 m<sup>2</sup>

### On-going projects:

- Hoang Anh River View apartments – District 2, Ho Chi Minh City: 576 units and 1,459 m<sup>2</sup> for commercial with total construction floor area of 122,877 m<sup>2</sup>
- Phu Hoang Anh apartments (phase 1) – Nha Be District, Ho Chi Minh City: 802 units and 4,096 m<sup>2</sup> for commercial with total construction floor area of 134,840 m<sup>2</sup>
- Hoang Anh Golden House apartments – Nha Be District, Ho Chi Minh City: 996 units and 18,626 m<sup>2</sup> for commercial with total construction floor area of 198,145 m<sup>2</sup>
- HAGL - BIDV apartments – Dak Lak Province: 432 units with total construction floor area of 52,320 m<sup>2</sup>
- Thac Gian apartments – Da Nang City: 456 units and 8,912 m<sup>2</sup> for commercial with total construction floor area of 73,836 m<sup>2</sup>
- High - class apartments – Can Tho City: 216 units with total construction floor area of 29,391 m<sup>2</sup>
- HAGL-Bangkok apartments – Thailand: 140 units with total construction floor area of 13,928 m<sup>2</sup>



Kinh Te commercial center and office for lease – Dist. 7, HCMC

### Planned projects to commence in 2010:

- Kinh Te commercial center and office for lease – District 7, Ho Chi Minh City: two 40-storey blocks, 114,760 m<sup>2</sup> of office for lease and 6,840 m<sup>2</sup> commercial floor with total construction floor area of 165,022 m<sup>2</sup>
- Hoang Anh Incomex apartments – District 7, Ho Chi Minh City: 396 units and 24,300 m<sup>2</sup> commercial floor with total construction floor area of 98,014 m<sup>2</sup>
- Phu Hoang Anh apartments (phase 2) – Nha Be District, Ho Chi Minh City: 648 units and 2,497 m<sup>2</sup> for commercial with total construction floor area of 127,078 m<sup>2</sup>
- Hoang Anh Tan Phu apartments – Luy Ban Bich Street, Tan Phu District, Ho Chi Minh City: 474 units with total construction floor area of 65,520 m<sup>2</sup>



Hoang Anh Incomex, Dist.7, HCMC

#### Planned projects to commence in 2011-2012:

- Commercial center and high-end apartments – Phan Van Khoe, District 6, Ho Chi Minh City: 250 units and 16,296 m<sup>2</sup> for commercial with total construction floor area of 61,571 m<sup>2</sup>
- No Trang Long apartments – Binh Thanh District, Ho Chi Minh City: 256 units with total construction floor area of 30,793 m<sup>2</sup>
- Apartments – Hoc Mon District, Ho Chi Minh City: 1,308 units with total construction floor area of 137,274 m<sup>2</sup>
- Phu Dinh Commercial center and high-end apartments – District 6, Ho Chi Minh City: 895 units and 40,075 m<sup>2</sup> for commercial with total construction floor area of 212,966 m<sup>2</sup>
- Villa complex and high-end apartments – District 9, Ho Chi Minh City: 2,000 units, 24 villas and 27 semi-houses with total construction floor area of 317,657 m<sup>2</sup>
- 2/9 Complex center - Binh Hien Ward, Danang City: 2,944 units, 89,734 m<sup>2</sup> for commercial and

172,800 m<sup>2</sup> of office for lease with total construction floor area of 868,686 m<sup>2</sup>

- Nguyen Van Linh commercial and office complex comprising 4 commercial floors and 33 office floors with total construction floor area of 53,040 m<sup>2</sup>
- Anh Hung Nup apartments and commercial complex – Gia Lai Province: 508 units and 4,206 m<sup>2</sup> commercial floor with total construction floor area of 71,037 m<sup>2</sup>
- Phu Dong apartments – Gia Lai Province: 452 units with total construction floor area of 40,566 m<sup>2</sup>

#### Projects in the acquisition progress:

- Hiep Binh Phuoc Project – Ho Chi Minh City with total land area of 352,275 m<sup>2</sup> and total population of 9,200 persons (equivalent to 2,300 apartments and villas)
- Tan Phong Riverside Project – District 7, Ho Chi Minh City: 1,120 units with total construction floor area of 196,756 m<sup>2</sup>

# Products and services

## Rubber plantation

Our target is to finish planting and start exploiting 51,000ha of rubber trees in 2012, located in the Central Highland of Vietnam, Laos and Cambodia.

Rubber trees have high economic value. Rubber latex is used in the manufacturing industry and rubber wood is used in wooden furniture processing sector. This sector is not capital intensive but it can generate high and stable profits.

The advantages of Hoang Anh Gia Lai are ownership of land at low cost and labor workforce with skills and experience in agro-forestry. These are the critical success factors in the rubber industry.



Land for rubber plantation is located as follows:

Location	Area (ha)	Planted up to 31 Dec 2009 (ha)	To be planted in 2010 (ha)	To be planted in 2011-2012 (ha)
Gia Lai province	8,000	3,500	2,000	2,500
Dak Lak province	3,000	-	1,000	2,000
Laos	25,000	8,500	7,000	9,500
Cambodia	15,000	-	2,000	13,000
Total	51,000	12,000	12,000	27,000



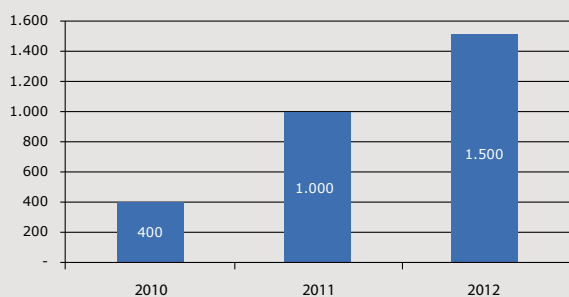
# Products and services

## Mining

The objective is to exploit and process 60 million tons of iron ore located in the Central Highland of Vietnam, Laos and Cambodia. Hoang Anh Gia Lai was licensed to survey one iron mine in Laos with estimated reserves of 20 million tons and one in Cambodia with estimated reserves of 30 million tons and other mines in the Central Highland of Vietnam with total reserves of 10 million tons. Estimated revenue is USD 7.2 billion, generated from 60 million tons of refined iron ores (based on the estimated average price of 120 USD/ton of refined iron ore).

### Plan to exploit and process iron ore in the period of 2010-2012:

Production output (thousand tons)



This is a sensitive sector, and it is not easy to own good iron mines like the mines of Hoang Anh Gia Lai (average content over 60% and completely open-cast). This sector is not capital intensive but can generate high profit. Demand for iron ore in the world is very high, especially in developing countries like China. Refined iron ores can be reserved in large quantities for a long period and can be sold easily. This sector also helps to balance and stabilize the revenue stream of Hoang Anh Gia Lai.

## Products and services

# Hydro-power



Hoang Anh Gia Lai has been granted 17 hydro-power projects in the Central Highland of Vietnam, Thanh Hoa province and Laos with total capacity of 420MW. This is a precious natural resource generated from rivers with waterfalls, which cannot be reproduced and not ubiquitous. Estimated investment capital for these 17 projects is approximately VND 7,560 billion.

Hydro-power is capital intensive but it can generate the most stable cash flow. After the development phase, this sector will play the role of generating and balancing cash flow for the Group.

When Hoang Anh Gia Lai finishes the 17 hydro-power projects mentioned above, the total power output will reach about 1.92 billion Kwh and generate a revenue of VND 1,344 billion per year *(based on current electricity price of 700VND/Kwh)*. In the future, if electricity price increases to 800 or 900 VND/Kwh, revenue may increase.

# Products and services

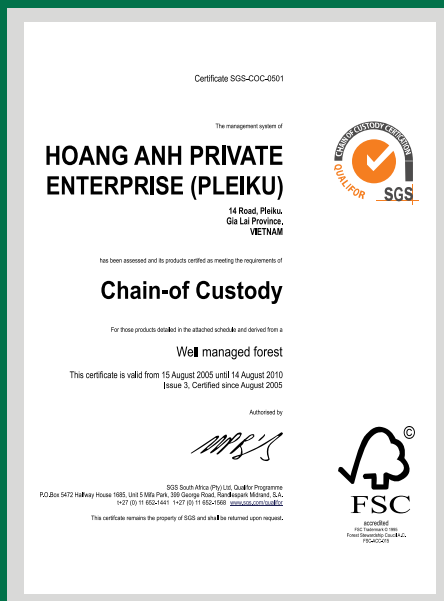
## Traditional production



Exterior wooden furniture for export to Australia, European, US, Hong Kong, etc



Granite stones used for real estate projects



Hoang Anh Gia Lai is one of few companies which have obtained certification from the Forest Stewardship Council (FSC) with the commitment to provide friendly-environmental products which do not have an adverse effect on the ecosystem during the production.







## Generating added value

Hoang Anh Gia Lai is committed to increase value for its shareholders, investors, employees and customers by participating and contributing in the economic development of Vietnam and its neighboring countries: Laos, Cambodia, Thailand and Myanmar. Its investments will contribute to more jobs, new products and taxes for the State budget as well as profit for Hoang Anh Gia Lai's shareholders. An illustration of Hoang Anh Gia Lai commitment is its Ba Thuoc 1 & 2 hydropower projects with a projected total investment of VND 2,520 billion which are expected to generate 700 million Kwh of clean energy for the consumption of consumers. Hong Anh Gia LaiL forecasts that these projects will operate profitably and will contribute over VND 100 billion to the State budget.

# Shareholder Information and Corporate Governance



**The Board of Management, the Audit Committee and the Board of Directors, conducted frequent meetings in order to issue appropriate policies timely in order to deliver the most efficient performance in the Group's operations.**

## **Board of Management and Audit Committee**

The Board of Management has seven members, including two independent non-executive members. The Audit Committee has three members.

### **Changes in members of the Board of Management:**

During the year, Mr Tran Viet Anh resigned and Mr Vu Huu Dien was appointed as a new member of the Board.

### **Function of the Board of Management:**

During the year, the Board of Management held four official meetings to: discuss and decide the development direction of the Group, revise its business plan for 2009, issue bonus shares to the shareholders, issue convertible bonds, restructure the Group's subsidiaries, discuss the business and investment plans for 2010, strategy and performance in the sale of apartments, among others. In addition, the Board of Management also organized other meetings via tele-conference to discuss and resolve other matters.

### **Function of Independent Non-executive members:**

The non-executive members participated in all meetings of the Board of Management and monitored the management function of the Board of Directors.

### **Function of the Board of Management's Sub-committees:**

Currently the functional departments of the Group are responsible for providing information and reports in accordance with the requirements of the Board of Management. The secretary of the Board of Management is the contact point between the functional departments and the Board of Management.

### **Function of the Audit Committee:**

The Audit Committee has evaluated the implementation of the 2009 business plan by the Board of Management and the Board of Directors. The Audit Committee and the Internal Audit reviewed and evaluated the key processes of the Company, conducted site visits at the factories and

branches in order to identify inherent risks or misstatements, and provided appropriate recommendations to the management. The Audit Committee also conducted periodical review of the financial statements to assess the integrity of the financial information. The Audit Committee coordinated closely with the external auditors, Ernst & Young Vietnam Limited, and reviewed the impact of any material misstatements in the financial statements and implemented the recommendations provided by the independent auditors in strengthening the Company's internal control system.

**Plan for improvement of the efficiency of management operation:**

The Board of Management, the Audit Committee and the Board of Directors conducted frequent meetings in order to issue appropriate policies in a timely manner to facilitate the implementation of the Board of Management resolution and communications with various departments, internal and external shareholders.

The Audit Committee regularly reports to the the Board of Management and the Board of Directors the financial policies compliance status as well as the Group's charter and regulations.



**Board of Management's share ownership**

No	Name of shareholders	Number of shares	Ownership	Change
1	Doan Nguyen Duc	146,658,151	54.37%	0.00%
2	Nguyen Van Su	1,064,400	0.39%	0.06%
3	Doan Nguyen Thu	3,405,352	1.26%	0.00%
4	Nguyen Van Minh	1,486,123	0.55%	0.07%
5	Le Hung	134,910	0.05%	0.00%
	Total	152,748,936	56.62%	0.13%



# Shareholder Information and Corporate Governance

Information regarding the HAG share transactions, HAG share transfer by the members of the Board of Management, members of the Board of Directors, members of the Audit Committee, major shareholders and other persons related to the above management personnel

Transactions of internal shareholders during the year:

Transaction person/organization	Position	Nature of transaction	Trading volume
Mr Nguyen Van Su	General Director	Purchase	165,000
Mr Nguyen Van Minh	Deputy General Director	Purchase	195,000
Mr Tran Van Han	Deputy General Director	Sale	400,000
Saigon Thuong Tin Commercial Joint Stock Bank (represented by Ms Ho Thi Kim Nga)	Member of the Audit Committee	Sale	1,100,000

## Statistical data about shareholders

### Shareholding structure

Shareholding structure as at 17 November 2009, after issuance of bonus shares:

Shareholding	Number of shares	Ownership (%)
Share capital:	270,465,458	100%
• Founder shareholders	153,085,971	56.60%
• Large shareholders (holding more than 5% of voting rights)	-	0.00%
• Shareholders who hold 1-5% of voting rights	47,914,266	17.72%
• Shareholders who hold less than 1% of voting rights	69,465,221	25.68%
of which:		
• Foreign shareholders:	54,981,438	20.33%
- Institutional investors:	54,021,097	19.97%
- Individual investors:	960,341	0.36%

### Some institutional shareholders and strategic partners





### Related parties

- Entities which hold more than 50% share capital of HAGL: None
- Entities which HAGL holds more than 50% share capital: Presented in Note 15.2 – Consolidated financial statements of 2009
- Investments in subsidiaries and associates: Presented in Notes 15.1 and 15.2 - Consolidated financial statements of 2009



### Details of majority shareholder

Name	ID Card	Address	No. of Shares	Percentage
Doan Nguyen Duc	230046495	143-147 Tran Phu Street, Dien Hong Ward, Pleiku City, Gia Lai Province	146,658,151	54.37%
Total			146,658,151	54.37%









## Legacy of care and share

To express our social responsibility, we always share our success with the community and contribute to the development of society by actively participating in charitable and sponsorship activities. We actively build roads, bridges, schools, polyclinics; organize medical examination and treatment, and aid in the areas of our operations as well as provide scholarships to deserving students.

# Corporate Social Responsibility



1



2



3



4



5



## Hoang Anh Gia Lai and Social Responsibility

**Hoang Anh Gia Lai brand achieved significant milestones in 2009. In addition to the satisfactory business results, Hoang Anh Gia Lai has actively participated in various charitable and social activities.**

- Constructed and awarded two school buildings amounting to VND 15 billion, of which VND 10 billion was spent to build Le Anh Xuan Primary School at District 7, Ho Chi Minh City and VND 5 billion was spent to build Tan Dong Secondary School at Go Cong District, Tien Giang Province. As a result, 3,000 student beneficiaries were able to go to school.
- Provided support aggregating to VND 1 billion each to the Fund for the Poor in key provinces such as Long An, Quang Ngai, etc; VND 1 billion to the Fund for the Poor in Ba Thuoc District, Thanh Hoa Province; and VND 100 million each to 6 poorest communes of Ba Thuoc District.
- Financed the construction of Memorials for Martyrs for VND 1 billion in Phu Quoc prison in Kien Giang Province.
- Donated VND 1 billion to the victims of storm No 9 in Kon Tum.
- Participated in the "Thuy's Dreams" program organized by Tuoi Tre Paper to help cancer patients.
- Participated in the relief of fellow-citizens in central provinces.
- Built shelter for the poor in Ben Tre, Tien Giang, Gia Lai Provinces, etc.
- Gave gifts "Welcome Lunar New Year of Tiger" to the poor people in Tan Ly Tay Commune, Chau Thanh District, Tien Giang Province; Tan Hung Ward, District 7; Tan Thoi Hoa Ward, Tan Phu District and District 2.
- In addition to caring and helping Vietnamese people, HAGL Group has also helped Laos to develop its facilities to improve lives in Laos, in particular:
  - + Provided financial support aggregating to USD 19 million to the Laos Government, of which USD 4 million is non-refundable support and USD 15 million is an interest-free loan to build the 25th SEA Games Athletes Village and help Laos to successfully organize the biggest sport event in the Southeast Asia in 2009.
  - + Provided financial support amounting to USD 1.2 million to Attapeu Province to build a bridge across Xesu River, linking the two Xaysetha and Phouvong Districts.
  - + Provided financial support aggregating to USD 600,000 to install power lines to several villages in Xaysetha District, with average of 30 km long.
  - + Started the construction of two residential areas in Xaysetha and Phouvong Districts, including construction of 200 houses with ample electricity and water supply.
  - + Coordinated with Sai Gon Giai Phong Newspaper and spent VND 500 million in launching "Nghia Tinh Truong Son" program to show our gratitude to the heroic martyrs who laid down their lives for peace and freedom of the nation. The program included three trips to bring hundreds of doctors and volunteers to help overseas Vietnamese and Laos people in two Attapeu and Champassak provinces.

- 
- 1 Relieving the victims of typhoon in the Middle of Vietnam
  - 2 Supporting the Fund for the Poor of Ba Thuoc Dist, Thanh Hoa
  - 3 Awarding ceremony of the shelter for the poor
  - 4 Le Anh Xuan Primary School, Dist 7, HCMC
  - 5 Opening ceremony of Tan Dong Secondary School, Tien Giang



## 2009 Key Events



1



2



3



4

## Hoang Anh Gia Lai's significant achievements in 2009

**The past year is considered by most Vietnamese enterprises as a difficult period due to the adverse effect of the global economic crisis. Hoang Anh Gia Lai, despite the difficulties, not only operated profitably during the year but also achieved significant milestones as follows:**

- The completion marked by the inauguration ceremony and handover of the 25th SEA Games Athletes Village project to the Laos Government for a total investment of USD 19 million (of which USD 4 million is non-refundable support and USD 15 million is an interest-free loan) has brought Hoang Anh Gia Lai's brand to millions of fans watching the various exciting sporting events during the SEAGames. The project also contributed in further strengthening the good relationship between Vietnam and Laos.
- The Annual General Meeting of the Shareholders in 2009 held at the meeting hall of Reunification

Palace and participated by more than 1,600 persons including strategic investors, potential investors and representatives of investment funds, among others, gained a resounding result. The congress approved the sustainable strategic investments for the future and the prudent but ambitious business plan for 2009.

- The contract signing ceremony on the wholesale of 996 Hoang Anh Golden House apartments project to BIDV Union Investment Joint Stock Company demonstrated HAGL's effective and efficient real estate operations during the time when the real estate market is significantly bourse.
- The ground breaking ceremony of Ba Thuoc 1 & 2 hydro-power plants in Thanh Hoa province with total capacity of 140MW once again demonstrated Hoang Anh Gia Lai's commitment in pursuing one of its strategies to invest in businesses with high potentials in providing sustainable profits that will contribute to Hoang Anh Gia Lai growth.

- 
- 1 Shareholders' annual general meeting 2009
  - 2 Contract signing ceremony of Hoang Anh Golden House project
  - 3 Ground breaking ceremony of Ba Thuoc hydro-power project
  - 4 Ground breaking and handover ceremony to Laos Government the 25th SEA Games Athletes Village



## Rubber plantation



1



2



3



4

- 1 Reclaiming
- 2 Drilling holes
- 3 Cultivating rubber sapling
- 4 1 year-old rubber trees



## Mining



- 1 Mining
- 2 Transportation of iron ore
- 3 Cast iron factory
- 4 Manufacturing cast iron

# 2009 Photos

## Real Estate



- 1 Phu Hoang Anh Luxury Apartments Project: 76% sold
- 2 Hoang Anh River View Apartments Project: 89% sold
- 3 Hoang Anh - New Saigon Luxury Apartments: handed-over in 2009



## Hydro-power



- 1 Daksrong 2 hydro-power project
- 2 Daksrong 2 hydro-power project
- 3 Working scene at Daksrong 2A at night







# Consolidated Financial Statements 2009



# Report of the Board of Management

The Board of Management of Hoang Anh Gia Lai Joint Stock Company (“the Company”) presents its report and the consolidated financial statements of the Company and its subsidiaries (“the Group”) as at and for the year ended 31 December 2009.

## THE COMPANY

The Company is a joint stock company established in Vietnam in accordance with Business Registration Certificate No. 3903000083 dated 1 June 2006 issued by the People's Committee of Gia Lai Province and the following amendments:

First amendment	5 August 2006
Second amendment	20 December 2006
Third amendment	10 January 2007
Fourth amendment	7 March 2007
Fifth amendment	1 June 2007
Sixth amendment	19 June 2007
Seventh amendment	20 December 2007
Eighth amendment	29 August 2008
Ninth amendment	24 November 2008
Tenth amendment	13 May 2009
Eleventh amendment	11 June 2009
Twelfth amendment	15 September 2009
Thirteenth amendment	18 November 2009
Fourteenth amendment	23 December 2009

As at 31 December 2009, the Company has 32 subsidiaries and 4 associates (31 December 2008: 25 subsidiaries and 5 associates). The Group, through the parent company and its subsidiaries and associates, is principally engaged in producing and trading furniture and granite products; planting rubber and other trees, processing and trading rubber latex and rubber wood; construction; mining; developing apartments for sale and lease; building and operating hotels and resorts; and sports and entertainment activities.

The Company's head office is located at No.15 Truong Chinh Street, Phu Dong Commune, Pleiku City, Gia Lai Province, Vietnam.

## EVENTS AFTER THE BALANCE SHEET DATE

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



## THE BOARD OF MANAGEMENT

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

<i>Name</i>	<i>Position</i>
Mr Doan Nguyen Duc	Chairman
Mr Nguyen Van Su	Member
Mr Doan Nguyen Thu	Member
Mr Le Hung	Member
Mr Nguyen Van Minh	Member
Ms Vo Thi Huyen Lan	Member
Mr Vu Huu Dien	Member (appointed on 5 October 2009)
Mr Tran Viet Anh	Member (resigned on 5 October 2009)

## THE BOARD OF DIRECTORS

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

<i>Name</i>	<i>Position</i>
Mr Nguyen Van Su	General Director
Mr Doan Nguyen Thu	Deputy General Director
Mr Le Van Ro	Deputy General Director
Mr Tra Van Han	Deputy General Director
Mr Nguyen Van Minh	Deputy General Director
Mr Vo Truong Son	Deputy General Director

## AUDITORS

The auditors, Ernst & Young Vietnam Limited, have expressed their willingness to accept reappointment.

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

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

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

Management confirms that the Group has complied with the above requirements in preparing the consolidated financial statements.

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.

## The Board of Management (continued)

## APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements which give a true and fair view of the financial position of the Group as at 31 December 2009 and of the results of its operations and cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.

On behalf of the Board of Management:



**Mr Doan Nguyen Duc**  
Chairman

Blank

**Mr Nguyen Van Su**  
Member

Pleiku City, Gia Lai Province, Vietnam

25 January 2010

# Independent Auditors' Report

Reference: 60752790/13688593

## INDEPENDENT AUDITORS' REPORT

### The Shareholders and the Board of Management

We have audited the accompanying consolidated balance sheet of Hoang Anh Gia Lai Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 December 2009, and the related consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto (collectively called "the consolidated financial statements") as set out on pages 56 to 102. 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 and International Standards on Auditing applicable in Vietnam. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of 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 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 financial position of the Group as at 31 December 2009 and of the results of its operations and its 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.*

Ernst & Young Vietnam Limited

*Maria Cristina M. Calimbas*

Maria Cristina M. Calimbas  
Deputy General Director  
Registered Auditor  
Certificate No. N.1073/KTV

*Nguyen Xuan Dai*

Nguyen Xuan Dai  
Auditor-in-charge  
Registered Auditor  
Certificate No. 0452/KTV

Ho Chi Minh City, Vietnam

25 January 2010



# Consolidated balance sheet

## as at 31 December 2009

B01-DN/HN

VND'000

<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>7,403,555,092</b>	<b>4,524,792,761</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>		<b>1,944,228,950</b>	<b>531,085,394</b>
111	1. Cash	4	1,944,228,950	531,085,394
<b>120</b>	<b>II. Short-term investments</b>		<b>157,571,210</b>	<b>-</b>
121	1. Short-term investments	5	157,571,210	-
<b>130</b>	<b>III. Current accounts receivable</b>		<b>2,956,113,887</b>	<b>1,984,810,093</b>
131	1. Trade receivables	6	1,694,730,505	719,302,322
132	2. Advances to suppliers	7	870,124,080	658,867,521
135	3. Other receivables	8	392,823,227	607,452,842
139	4. Provision for doubtful debts		(1,563,925)	(812,592)
<b>140</b>	<b>IV. Inventories</b>		<b>2,213,150,611</b>	<b>1,852,154,407</b>
141	1. Inventories	9	2,213,663,205	1,852,454,887
149	2. Provision for obsolete inventories		(512,594)	(300,480)
<b>150</b>	<b>V. Other current assets</b>		<b>132,490,434</b>	<b>156,742,867</b>
151	1. Short-term prepaid expenses		32,418,109	2,702,455
152	2. Value-added tax deductibles		43,369,234	109,255,090
154	3. Tax and other receivables from the State		36,986	-
158	4. Other current assets	10	56,666,105	44,785,322

Consolidated balance sheet  
as at 31 December 2009

B01-DN/HN

			VND'000	
Code	ASSETS	Notes	Ending balance	Beginning balance
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>4,792,656,182</b>	<b>4,346,767,572</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>2,517,309,488</b>	<b>1,870,421,130</b>
221	1. Tangible fixed assets	11	671,688,850	613,167,958
222	Cost		795,779,397	706,975,264
223	Accumulated depreciation		(124,090,547)	(93,807,306)
227	2. Intangible fixed assets	12	94,463,918	111,884,361
228	Cost		96,080,465	112,900,030
229	Accumulated amortisation		(1,616,547)	(1,015,669)
230	3. Construction in progress	13	1,751,156,720	1,145,368,811
<b>250</b>	<b>II. Long-term investments</b>		<b>2,061,446,000</b>	<b>2,090,737,140</b>
252	1. Investments in associates	15.1	69,098,898	199,067,441
258	2. Other long-term investments	16	1,992,347,102	1,891,669,699
<b>260</b>	<b>III. Other long-term assets</b>		<b>213,900,694</b>	<b>385,609,302</b>
261	1. Long-term prepaid expenses	17	141,963,630	331,880,376
262	2. Deferred tax assets	31.2	69,237,539	51,404,401
268	3. Other long-term assets		2,699,525	2,324,525
<b>270</b>	<b>TOTAL ASSETS</b>		<b>12,196,211,274</b>	<b>8,871,560,333</b>

# Consolidated balance sheet

as at 31 December 2009 (continued)

B01-DN/HN

VND'000

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>A. LIABILITIES</b>		<b>7,068,556,748</b>	<b>4,672,353,582</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>4,294,842,290</b>	<b>2,535,177,690</b>
311	1. Short-term loans and borrowings	18	2,991,797,773	1,203,108,474
312	2. Trade payables		197,537,916	373,885,772
313	3. Advances from customers	19	44,397,490	98,426,140
314	4. Statutory obligations	20	265,774,014	152,269,861
315	5. Payables to employees		17,811,136	31,555,135
316	6. Accrued expenses	21	644,983,946	367,849,188
319	7. Other payables	22	132,540,015	308,083,120
<b>330</b>	<b>II. Non-current liabilities</b>		<b>2,773,714,458</b>	<b>2,137,175,892</b>
333	1. Other long-term liabilities	23	23,992,393	4,318,682
334	2. Long-term loans and debts	24	2,248,707,163	1,893,643,583
335	3. Deferred tax liabilities	31.2	499,210,181	234,725,416
336	4. Provision for severance allowance		1,804,721	4,488,211
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>4,711,500,209</b>	<b>3,747,497,350</b>
<b>410</b>	<b>I. Capital</b>	<b>25</b>	<b>4,694,914,864</b>	<b>3,728,927,874</b>
411	1. Share capital		2,704,654,580	1,798,145,010
412	2. Share premium		1,223,971,061	1,840,361,593
413	3. Consolidation reserve		(399,237,919)	(280,765,140)
415	4. Treasury shares		(30,091,699)	(327,979,971)
416	5. Foreign exchange differences		20,463,787	2,734,772
417	6. Investment and development fund		8,622,737	8,622,737
418	7. Financial reserve fund		82,528,069	22,528,069
420	8. Undistributed earnings		1,084,004,248	665,280,804
<b>430</b>	<b>II. Other funds</b>	<b>25</b>	<b>16,585,345</b>	<b>18,569,476</b>
431	1. Bonus and welfare fund		16,585,345	18,569,476
<b>500</b>	<b>C. MINORITY INTEREST</b>		<b>416,154,317</b>	<b>451,709,401</b>
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>12,196,211,274</b>	<b>8,871,560,333</b>



Ms Ho Thi Kim Chi  
Chief Accountant



Mr Nguyen Van Su  
General Director

25 January 2010



# Consolidated income statement

## for the year ended 31 December 2009

B02-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Prior year
01	1. Revenues from sale of goods and rendering of services	27.1	4,370,251,754	1,885,145,765
02	2. Deductions	27.1	(4,943,033)	(4,401,358)
10	3. Net revenues from sale of goods and rendering of services	27.1	4,365,308,721	1,880,744,407
11	4. Costs of goods sold and services rendered	28	(2,358,546,997)	(990,631,593)
20	5. Gross profit from sale of goods and rendering of services		2,006,761,724	890,112,814
21	6. Income from financial activities	27.2	199,381,768	438,618,705
22	7. Expenses from financial activities	29	(213,430,505)	(95,797,943)
23	<i>In which: Interest expenses</i>		(207,443,514)	(88,500,954)
24	8. Selling expenses		(108,523,436)	(75,252,461)
25	9. General and administration expenses		(162,416,224)	(125,208,964)
30	10. Operating profit		1,721,773,327	1,032,472,151
31	11. Other income	30	48,461,912	12,717,959
32	12. Other expenses	30	(26,730,915)	(39,031,852)
40	13. Other profit/(loss)	30	21,730,997	(26,313,893)
50	14. Profit before tax		1,743,504,324	1,006,158,258
51	15. Current corporate income tax expense	31.1	(137,652,012)	(153,680,790)
52	16. Deferred corporate income tax expense	31.2	(318,953,626)	(87,134,691)
60	17. Net profit after tax		1,286,898,686	765,342,778
	<i>Attributable to:</i>			
	17.1 Minority interest		98,045,423	65,037,809
	17.2 The Company's shareholders		1,188,853,263	700,304,969
70	18. Basic earnings per share (VND)	26	4,432	2,615



Ms Ho Thi Kim Chi  
Chief Accountant



Mr Nguyen Van Su  
General Director

25 January 2010

# Consolidated cash flow statement

## for the year ended 31 December 2009

B03-DN/HN

VND'000

Code	ITEMS	Notes	Current year	Prior year
<b>I.</b>	<b>Cash flows from operating activities</b>			
<b>01</b>	<b>Net profit before tax</b>		<b>1,743,504,324</b>	<b>1,006,158,258</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	11, 12, 17	159,105,686	108,998,192
03	Provisions		963,447	600,000
04	Unrealised foreign exchange losses		-	2,082,336
05	Profits from investing activities		(196,435,954)	(422,377,729)
06	Interest expense	29	207,443,514	88,500,954
<b>08</b>	<b>Operating income before changes in working capital</b>		<b>1,914,581,017</b>	<b>783,962,011</b>
09	Increase in receivables		(339,054,195)	(520,253,236)
10	Increase in inventories		(168,204,732)	(482,062,946)
11	Increase in payables		37,845,131	150,486,873
12	Decrease/(increase) in prepaid expenses		66,934,106	(96,993,404)
13	Interest paid		(189,041,621)	(195,474,116)
14	Corporate income tax paid	31.1	(212,869,539)	(149,057,733)
16	Other cash outflows from operating activities		(26,879,395)	(29,882,347)
<b>20</b>	<b>Net cash from/(used in) operating activities</b>		<b>1,083,310,772</b>	<b>(539,274,898)</b>
<b>II.</b>	<b>Cash flows from investing activities</b>			
21	Purchases and construction of fixed assets		(1,357,528,506)	(1,056,650,067)
22	Proceeds from disposals of fixed assets and other long-term assets		32,965,491	127,905,319
25	Payments for investments in other entities		(568,353,883)	(778,089,748)
26	Proceeds from disposal of investments in other entities		134,000,000	-
27	Interest and dividends received		85,997,296	23,363,313
<b>30</b>	<b>Net cash used in investing activities</b>		<b>(1,672,919,602)</b>	<b>(1,683,471,183)</b>

**Consolidated cash flow statement  
for the year ended 31 December 2009**

B03-DN/HN

VND'000

<b>Code</b>	<b>ITEMS</b>	<b>Notes</b>	<b>Current year</b>	<b>Prior year</b>
<b>III. Cash flows from financing activities</b>				
31	Capital contribution and issuance of shares	25.3	248,393,276	-
32	Capital redemption	25.3	(30,091,699)	(327,979,971)
33	Borrowings received		4,720,800,925	2,695,583,825
34	Borrowings repaid		(2,577,048,046)	(1,061,691,238)
36	Dividends paid		(359,302,070)	(1,122)
37	Capital contribution of minority shareholders in subsidiaries		-	154,357,651
<b>40</b>	<b>Net cash from financing activities</b>		<b>2,002,752,386</b>	<b>1,460,269,145</b>
<b>50</b>	<b>Net increase/(decrease) in cash</b>		<b>1,413,143,556</b>	<b>(762,476,936)</b>
<b>60</b>	<b>Cash at beginning of year</b>		<b>531,085,394</b>	<b>1,290,907,575</b>
<b>61</b>	<b>Impact of exchange rate fluctuation</b>		<b>-</b>	<b>2,654,755</b>
<b>70</b>	<b>Cash at end of year</b>	<b>4</b>	<b>1,944,228,950</b>	<b>531,085,394</b>



Ms Ho Thi Kim Chi  
Chief Accountant

25 January 2010



Mr Nguyen Van Su  
General Director



# Notes to the consolidated financial statements

## for the year ended 31 December 2009

B09-DN/HN

### 1. CORPORATE INFORMATION

Hoang Anh Gia Lai Joint Stock Company ("The Company") is a joint stock company established in Vietnam in accordance with Business Registration Certificate No. 3903000083 dated 1 June 2006 issued by the People's Committee of Gia Lai Province and the following amendments:

First amendment	5 August 2006
Second amendment	20 December 2006
Third amendment	10 January 2007
Fourth amendment	7 March 2007
Fifth amendment	1 June 2007
Sixth amendment	19 June 2007
Seventh amendment	20 December 2007
Eighth amendment	29 August 2008
Ninth amendment	24 November 2008
Tenth amendment	13 May 2009
Eleventh amendment	11 June 2009
Twelfth amendment	15 September 2009
Thirteenth amendment	18 November 2009
Fourteenth amendment	23 December 2009

As at 31 December 2009, the Company has 32 subsidiaries and 4 associates (31 December 2008: 25 subsidiaries and 5 associates). The Group, through the parent company and its subsidiaries and associates, is principally engaged in producing and trading furniture and granite products; planting rubber and other trees, processing and trading rubber latex and rubber wood; construction; mining; developing apartments for sale and lease; building and operating hotels and resorts; and sports and entertainment activities.

The Company's head office is located at No.15 Truong Chinh Street, Phu Dong Commune, Pleiku City, Gia Lai Province, Vietnam.

### 2. BASIS FOR PREPARATION

#### 2.1 Statement of compliance

The consolidated financial statements of the Group, expressed in thousands of Vietnam dong ("VND'000"), are prepared in accordance with the Vietnamese Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

## Notes to the consolidated financial statements for the year ended 31 December 2009

B09-DN/HN

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 Registered accounting documentation system**

The applicable accounting documentation system is the General Journal system.

### **2.3 Fiscal year**

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

### **2.4 Accounting currency**

The Company 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 ("the Group") as at 31 December each period. 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 difference 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 statement 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.

Except for subsidiaries acquired under common control which are accounted for under the pooling of interests method, other subsidiaries have been included in the consolidated financial statements using the purchase method of accounting that measures the subsidiaries' assets and liabilities at their fair value at the acquisition date.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Cash and cash equivalents**

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

# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

B09-DN/HN

### 3.2 *Receivables*

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

The provision for doubtful debts represents the estimated loss due to non-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 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 less anticipated cost of disposal and after making allowance for damaged, obsolete and slow-moving items. The perpetual method is used to record inventories, which are valued as follows:

Raw and construction materials, tools and supplies and merchandise goods	• actual cost on a weighted average basis.
Finished goods and work-in-process	• cost of direct materials and labour plus attributable overheads based on the normal level of activities.

Apartments for sale under construction are carried at the lower of cost and net realizable value. Costs include all expenditures including borrowing costs, directly attributable to the development and construction of the apartments. 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 "Other long-term investment" 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, and land compensation. Net realizable value represents estimated current selling price less anticipated cost of disposal.

### 3.4 *Provision for obsolete inventories*

An inventories provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc) of raw materials, finished goods, and other inventories owned by the 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 consolidated income statement.

### 3.5 *Fixed assets*

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and amortization. The costs of fixed assets consist of their purchase prices and any directly attributable costs of bringing the fixed assets to working condition for their intended use.

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

When fixed assets are sold or retired, their cost 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.



### *Land use rights*

Land use rights are recorded as intangible fixed assets when the Group has the land use right certificates. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for use.

### **3.6 Depreciation and amortisation**

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

Machinery and equipment	5 - 12 years
Buildings and structures	10 - 50 years
Motor vehicles	8 - 20 years
Office equipment	3 - 10 years
Perennial trees	11 - 12 years
Land use rights	45 years
Accounting software	5 years
Other assets	8 - 15 year

### **3.7 Construction in progress**

Construction in progress represents costs attributable directly to the construction of the Group's buildings, offices for lease, hydro-power plants and rubber plantation which have not yet been completed as at the date of these consolidated financial statements.

### **3.8 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet which mainly include prepaid land rentals and costs of tools and supplies. They are amortised over the period for which the amount are paid or the period in which economic benefit are generated in relation to these expenses.

### **3.9 Leased assets**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

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

### **3.10 Borrowing costs**

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

# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

B09-DN/HN

Borrowing costs that are directly attributable to the acquisition, construction or production of a particular asset are capitalized as part of the cost of the asset. Capitalization of borrowing costs is suspended during extended periods in which active development of the asset is interrupted unless such interruption is considered necessary. Capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

### **3.11 Investment in associates**

Investments in associates are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, investments in associates are carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill relating to the associates is included in the carrying amount of the investments and is amortized over ten years. The income statement reflects the Group's share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in its equity. Unrealised profits and losses resulting from transactions between the Group and associates are eliminated to the extent of the interest in the associate.

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

### **3.12 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. Increases and decreases to the provision balance are recorded as finance expense in the income statement.

### **3.13 Payable and accruals**

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

### **3.14 Provision for severance allowance**

The severance payment to employee is accrued at the end of each reporting year for all employees who have more than 12 months in service at the rate equal to one-half of the monthly salary for each working year up to 31 December 2008 in accordance with the Labour Code and related regulations. From 1 January 2009, the Company pays unemployment insurance in accordance with Decree No.127/2008/ND-CP dated 12 December 2008.

### **3.15 Foreign currency transactions**

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

The assets and liabilities of foreign entities are translated into VND at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

### **3.16 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### ***Sale of apartments***

For apartments sold after completion of construction, the revenue and associated costs are recognised when the significant risks and rewards of ownership of the apartments have passed to the buyers. For apartments sold before completion of construction where the Group has material obligations to complete the apartment project and where the buyers make payments in line with the progress of construction and effectively assume market risks and rewards, the revenue and associated costs are recognised as the related obligations are fulfilled by reference to the stage of completion at the balance sheet date. Cost of apartments sold before completion is determined based on actual land, land development and construction costs and estimated costs to complete the project. The estimated costs to complete the sold apartments are accrued in the balance sheet. Actual expenditures are charged to this accrual account as incurred.

This revenue recognition policy has been applied consistently with the previous year which is a generally accepted accounting principle in Vietnam and other jurisdictions.

#### ***Construction contracts***

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

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

#### ***Sale of goods***

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

#### ***Rental income***

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



# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### *Rendering of services*

Revenue from rendering of services are recognized when the services are rendered and is stated net of discounts, allowances and non refundable taxes.

### *Interest*

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

## **3.17 Taxation**

### *Current corporate income tax*

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

### *Deferred corporate income tax*

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

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 transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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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 profits will be available to allow all or part of the asset to be recovered. Previously unrecognised deferred income tax assets are re assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

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

### **3.18 Appropriation of net profit**

Net profit after tax is available for appropriation to shareholders after approval by the shareholders at the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

#### ***Financial reserve fund***

Financial reserve fund is appropriated from the Company'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 Company'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 Company'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 Company's expansion of its operation or in-depth investments.

#### ***Bonus and welfare fund***

Bonus and welfare fund is appropriated from the Company'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.

# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 3.19 Earnings per share

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

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the Company (after adjusting for any interest on convertible bonds, net of tax) 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 the dilutive potential ordinary shares into ordinary shares.

### 3.20 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 Company's own equity instruments.

## 4. CASH

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	6,110,243	4,541,681
Cash in banks	1,938,118,707	526,543,713
<b>TOTAL</b>	<b>1,944,228,950</b>	<b>531,085,394</b>

## 5. SHORT-TERM INVESTMENTS

Short-term investments represent the net carrying value of Da Lat and Quy Nhon resorts which have been agreed to be disposed to a third party, pending completion of the legal procedures.

## 6. TRADE RECEIVABLES

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Receivable from sale of apartments	1,540,626,758	270,484,995
Trade and service receivables	139,319,364	124,501,111
Construction receivable	14,784,383	324,316,216
<b>TOTAL</b>	<b>1,694,730,505</b>	<b>719,302,322</b>



Notes to the consolidated financial statements  
for the year ended 31 December 2009  
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**7. ADVANCES TO SUPPLIERS**

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to contractors	773,468,674	419,196,572
Advances to suppliers of goods and services	68,574,355	100,369,690
Advances for acquisition of land and real estate projects	28,081,051	139,301,259
<b>TOTAL</b>	<b>870,124,080</b>	<b>658,867,521</b>

Advances to contractors represents advances for construction of the Group's real estate and hydro-power projects, of which advances to related companies amounted to VND'000 355,209,466 as at 31 December 2009 (31 December 2008: VND'000 320,044,448).

**8. OTHER RECEIVABLES**

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Receivable from disposal of investment (i)	128,000,000	-
Receivables from employees (ii)	74,971,330	20,400,000
Short-term loans to the employees (iii)	61,136,442	72,465,924
Loans to other companies (iv)	57,385,399	59,800,000
Accrued interest receivable from bank deposits	27,521,566	-
Receivable from disposal of investment in Giai Viet Joint Stock Company	-	383,650,602
Dividends receivable	-	2,500,000
Advance dividends to shareholders	-	425,125
Others	43,808,490	68,211,191
<b>TOTAL</b>	<b>392,823,227</b>	<b>607,452,842</b>

(i) Receivable from disposal of investment represents part of the proceeds from the disposal of the Company's equity interest in Thanh Da Investment Construction and Real Estate Joint Stock Company, an associate, for VND 262 billion. A gain recognised from this transaction amounted to VND 103 billion (Note 15.1 and 27.2).

(ii) This represents advances to employees for assets acquisition and specific business purposes of the Group.

(iii) These loans are unsecured, have repayments term ranging from three to twelve months from the drawdown date and bear interest based on the Company's borrowing rate.

(iv) This includes unsecured loans due from Daksrong Hydropower Construction Joint Stock Company amounting to VND'000 24,096,006 and other companies which bear interest based on the Company's borrowing rate.

# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 9. INVENTORIES

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Apartments for sale under construction	1,806,305,701	1,487,430,756
Finished goods	96,183,765	67,823,888
Merchandise goods	49,131,285	12,665,587
Goods in transit	9,970,486	3,024,409
Work in process	119,973,449	122,302,209
<i>Of which from:</i>		
<i>Manufacturing</i>	79,589,385	94,169,867
<i>Construction contract</i>	39,741,107	24,762,309
<i>Rendered service</i>	642,957	3,370,033
Raw materials	129,034,391	101,747,945
Construction materials	91,694	53,883,702
Tools and supplies	2,972,434	3,576,391
<b>TOTAL</b>	<b>2,213,663,205</b>	<b>1,852,454,887</b>

Except for the Golden House apartment project with total carrying value of VND'000 182,800,213 as at 31 December 2009, all other apartments for sale under construction including the associated land have been mortgaged to secure the Group's outstanding borrowings (Notes 18 and 24).

### 10. OTHER CURRENT ASSETS

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Business advances to employees	47,785,437	44,291,924
Short-term deposits	8,757,210	493,398
Others	123,458	-
<b>TOTAL</b>	<b>56,666,105</b>	<b>44,785,322</b>

Notes to the consolidated financial statements  
for the year ended 31 December 2009  
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11. TANGIBLE FIXED ASSETS

VND'000

	Machinery and equipment	Buildings and structures	Motor vehicles	Office equipment	Perennial trees	Other assets	Total
<b>Cost</b>							
Beginning balance	147,367,422	486,899,686	54,186,799	4,226,270	6,615,322	7,679,765	706,975,264
Additions	95,674,197	120,503,523	69,079,397	2,451,844	20,000	1,422,343	289,151,304
Decreases	(5,727,125)	(183,771,300)	(8,255,416)	(25,428)	-	(2,567,902)	(200,347,171)
Ending balance	237,314,494	423,631,909	115,010,780	6,652,686	6,635,322	6,534,206	795,779,397
<b>Accumulated depreciation</b>							
Beginning balance	39,659,530	38,943,019	11,408,273	1,310,191	604,901	1,881,392	93,807,306
Additions	24,365,448	31,726,539	9,913,040	2,000,467	168,622	970,857	69,144,973
Decreases	(1,196,761)	(34,654,251)	(1,003,970)	(1,065,451)	-	(941,299)	(38,861,732)
Ending balance	62,828,217	36,015,307	20,317,343	2,245,207	773,523	1,910,950	124,090,547
<b>Net carrying amount</b>							
Beginning balance	107,707,892	447,956,667	42,778,526	2,916,079	6,010,421	5,798,373	613,167,958
Ending balance	174,486,277	387,616,602	94,693,437	4,407,479	5,861,799	4,623,256	671,688,850
<i>In which:</i>							
<i>Pledged/ mortgaged as loan security (Notes 18 and 24)</i>	174,486,277	387,616,602	-	-	-	-	562,102,879

The decrease of fixed assets mainly pertains to reclassification of the net carrying value of the Company's two resort properties, namely Da Lat and Quy Nhon which have already been approved to be sold to a third party buyer pending completion of legal procedures. As at the date of this report, the transaction has not yet been completed.



# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 12. INTANGIBLE FIXED ASSETS

VND'000

	<i>Land use rights</i>	<i>Accounting software</i>	<i>Total</i>
<b>Cost</b>			
Beginning balance	107,789,386	5,110,644	112,900,030
Additions	9,669,622	1,754,856	11,424,478
Decreases	(28,221,644)	(22,399)	(28,244,043)
Ending balance	89,237,364	6,843,101	96,080,465
<b>Accumulated amortisation</b>			
Beginning balance	766,175	249,494	1,015,669
Increases	586,419	17,010	603,429
Decreases	-	(2,551)	(2,551)
Ending balance	1,352,594	263,953	1,616,547
<b>Net carrying amount</b>			
Beginning balance	107,023,211	4,861,150	111,884,361
Ending balance	87,884,770	6,579,148	94,463,918
<i>In which:</i>			
<i>Pledged/mortgaged as loan security (Note 24)</i>	87,884,770	-	87,884,770

During the year, the Company's subsidiary, Hoang Anh - Quang Minh Rubber JSC, disposed part of its land use rights for a total proceeds of VND'000 30,448,530 (Note 30).

### 13. CONSTRUCTION IN PROGRESS

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Offices for lease	663,550,389	636,040,265
Rubber and acacia aneura plantations	541,842,682	98,808,467
Hydro-power plants	445,607,334	84,170,201
Buildings, plants and factories	82,011,839	315,577,805
Other construction work	18,144,476	10,772,073
<b>TOTAL</b>	<b>1,751,156,720</b>	<b>1,145,368,811</b>

### 14. CAPITALISED BORROWING COSTS

During the year, the Group has capitalised borrowing costs amounting to VND'000 151,513,542 (2008: VND'000 152,112,294). These are costs incurred on the bank loans used to finance the construction and development of fixed assets, apartment projects and acquisition of land for development.

## 15. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

### 15.1 Investments in associates

Name of associate	Business activities	Ending balance			Beginning balance		
		Number of shares	% holding	Carrying value VND'000	Number of shares	% holding	Carrying value VND'000
Hoang Anh - Mang Yang Rubber JSC	Plantation	1,815,608	40.00	41,705,588	675,000	40.00	18,156,080
A Dong Investment and Construction Consultant JSC	Electric design and consultancy	500,000	25.00	5,504,609	500,000	25.00	4,324,058
Binh Dinh Constrexim JSC	Construction of hydro-power plant	1,000,000	39.20	14,431,170	1,000,000	39.20	13,601,693
Hoang Anh Gia Dinh JSC	Real estate	750,000	25.00	7,457,531	750,000	25.00	7,457,531
Thanh Da Investment Construction and Real Estate JSC (i)	Real estate	-	-	-	24,000,000	24.00	155,528,079
<b>TOTAL</b>				<b>69,098,898</b>			<b>199,067,441</b>

- (i) The Company has fully disposed its equity interest in this entity to Dai Tin A Chau One Member Company Limited for VND 262 billion and recognised a gain of VND 103 billion (Note 8 and 27.2).

# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 15. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES (continued)

#### 15.2 Investments in subsidiaries

During the year, the Company has spun off some of its branches and transformed into its subsidiaries as follows:

- Hoang Anh Gia Lai Football Club Branch was transformed into a joint-stock company named Hoang Anh Gia Lai Sport Joint Stock Company with charter capital of VND 115 billion, of which the Company owns directly and through its subsidiaries 63.56% in total.
- Hoang Anh Gia Lai Domestic Furniture Factory Branch, Hoang Anh Gia Lai Export Furniture Factory Branch, Hoang Anh Quy Nhon Furniture Factory Branch and Hoang Anh Saigon Furniture Factory Branch were transformed into a joint-stock company named Hoang Anh Gia Lai Furniture Joint Stock Company with charter capital of VND 100 billion, of which the Company owns directly and through a subsidiary 93.48% in total.

The Company also established during the year new subsidiaries as follows:

- Hoang Anh Gia Lai Road Construction Joint Stock Company was established with the charter capital of VND 6.48 billion, of which the Company owns 72.2%. The principal activities of this subsidiary are to build roads, houses, site clearance, exploitation of sand and stones, etc.
- V&H Corporation (Lao) Co Ltd was established with registered capital of USD 10 million, of which the Company owns 80%. This subsidiary's business is to develop apartments, hotels and rubber plantations in Laos.
- Hoang Anh Far East Services Joint Stock Company was established with registered capital of VND'000 10,000,000, of which the Company owns 55%. The principal activities of this subsidiary are to provide real estate consultancy and management services.

The Company also undertook the following business acquisitions:

- The Company made capital contribution of VND 30.6 billion to acquire 51% interest in the charter capital of Song Da Ban Me Joint Stock Company, which is located in Daklak Province. The current principal business activities of Song Da Ban Me Joint Stock Company are to manufacture concrete and trading of cement. It is in process to start the construction and development of two hydro-power plants.
- The Company's subsidiary, Hoang Anh Dak Lak Joint Stock Company, has acquired 50% interest in the charter capital of Dai Lam Construction and Trade Company Limited with total consideration of VND 1.5 billion. The current principal business activity of Dai Lam Construction and Trade Company Limited is to develop rubber plantations.
- The Company's subsidiary, Hoang Anh Housing Construction and Development Joint Stock Company ("HAH") acquired the 24% minority interest in Phu Hoang Anh Joint Stock Company ("PHA"), a subsidiary, from Phu Long Company Limited for a consideration of VND 229.32 billion. The acquisition increased the ownership of HAH in PHA's equity from 70% to 94%. The excess of the purchase consideration over the net assets of PHA of VND 106 billion at the acquisition date has been recognised in the consolidated balance sheet as part of the cost of PHA's land currently under development.
- The Company acquired additional 3,000,000 shares of Hoang Anh Gia Lai Hydropower Joint Stock Company ("HH") and 1,200,000 shares of Hoang Anh Gia Lai Minerals Joint Stock Company ("HM") from the existing shareholders of HH and HM for a consideration of VND 75 billion and VND 78 billion, respectively. These acquisitions have increased the Company's ownership equity in these subsidiaries from 70% to 96.96% and from 75% to 86%, respectively. The excess of the purchase consideration over the net assets of HH and HM amounting to VND 45 billion and VND 67 billion at the acquisition dates, respectively, have been recognised as consolidation reserve in the consolidated balance sheet.

**Notes to the consolidated financial statements**  
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- The Company acquired additional 6% minority interest in Hoang Anh Me Kong Joint Stock Company ("MK") from MK's existing shareholders for a total consideration of VND 6 billion. This acquisition has increased the Company's ownership in MK's equity from 45% to 51%. The excess of the purchase consideration over the net assets of MK at the acquisition date has been recognised in the consolidated balance sheet as part of MK's land currently under development.
- The Company's subsidiary, Hoang Anh Housing Construction and Development Joint Stock ("HAH") acquired additional 31% interest in Phuc Bao Minh Trading Construction Services Corporation ("PBM"), from an existing shareholder for a consideration of VND 60 billion. This acquisition has increased the ownership of HAH in PBM's equity from 67% to 98%. The excess of the purchase consideration over the net assets of PBM at the acquisition date has been recognised in the consolidated balance sheet as part of the cost of PBM's land currently under development.

Details of the Company's subsidiaries as at 31 December 2009 are as follows:

<i><b>Name of subsidiaries</b></i>	<i><b>Location</b></i>	<i><b>Status of operation</b></i>	<i><b>Date of establishment or acquisition</b></i>	<i><b>% holding</b></i>
<b>Real estate</b>				
Hoang Anh Housing Construction and Development JSC	Ho Chi Minh City, Vietnam	Operating	04/06/2007	99.90
Phu Hoang Anh JSC	Ho Chi Minh City, Vietnam	Operating	15/01/2007	94.00
Hoang Nguyen Investment Construction and Housing JSC	Ho Chi Minh City, Vietnam	Operating	29/03/2007	89.00
Minh Tuan Company Limited	Ho Chi Minh City, Vietnam	Operating	22/06/2007	71.20
Hoang Anh Dak Lak JSC	Dak Lak, Vietnam	Operating	12/09/2007	55.00
Hoang Anh Me Kong Corporation	Ho Chi Minh City, Vietnam	Operating	24/10/2007	51.00
Hoang Viet Investment JSC	Ho Chi Minh City, Vietnam	Pre-operating	21/11/2007	51.00
Phuc Bao Minh Trading Construction Services Corporation	Ho Chi Minh City, Vietnam	Pre-operating	04/10/2008	98.00
Minh Thanh Co Ltd	Ho Chi Minh City, Vietnam	Pre-operating	28/11/2008	49.47
Hoang Anh Incomex Co Ltd	Ho Chi Minh City, Vietnam	Pre-operating	2007	80.00
An Tien Co Ltd	Ho Chi Minh City, Vietnam	Pre-operating	10/01/2008	87.68
Hoang Phuc Invest ment, Construction and Housing JSC	Ho Chi Minh City, Vietnam	Pre-operating	03/10/2007	51.00
Hoang Anh Gia Lai (Bangkok) Co Ltd	Bangkok, Thailand	Pre-operating	2007	47.00



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## for the year ended 31 December 2009 (continued)

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Details of the Company's subsidiaries as at 31 December 2009 are as follows:

<i><b>Name of subsidiaries</b></i>	<i><b>Location</b></i>	<i><b>Status of operation</b></i>	<i><b>Date of establishment or acquisition</b></i>	<i><b>% holding</b></i>
<b><i>Energy</i></b>				
Hoang Anh Dakbla Hydro-power JSC	Kontum, Vietnam	Pre-operating	30/05/2007	65.63
Hoang Anh Gia Lai Hydro-power JSC	Gia Lai, Vietnam	Pre-operating	05/06/2007	96.96
Hoang Anh - Thanh Hoa Hydroelectric JSC	Thanh Hoa, Vietnam	Pre-operating	18/10/2007	76.00
<b><i>Plantation</i></b>				
Hoang Anh - Quang Minh Rubber JSC	Gia Lai, Vietnam	Operating	01/02/2007	57.50
Gia Lai Industrial Plantation JSC	Gia Lai, Vietnam	Pre-operating	09/09/2008	98.95
V&H Corporation (Lao) Co Ltd	Attapeu, Laos	Pre-operating	26/03/2009	80.00
Hoang Anh Attapeu Agricultural Development Co Ltd	Attapeu, Laos	Pre-operating	22/05/2008	86.00
Dai Lam Construction and Trade Co Ltd	Dak Lak, Vietnam	Pre-operating	17/08/2009	50.00
<b><i>Mining</i></b>				
HAGL Minerals JSC	Gia Lai, Vietnam	Pre-operating	08/12/2007	86.00
Quang Ngai Mineral JSC	Quang Ngai, Vietnam	Pre-operating	23/02/2008	85.00
Gia Lai Mineral JSC	Gia Lai, Vietnam	Pre-operating	2007	62.79
<b><i>Manufacturing</i></b>				
Hoang Anh Gia Lai Furniture JSC	Gia Lai, Vietnam	Operating	28/09/2009	93.48
Song Da Ban Me JSC	Dak Lak, Vietnam	Operating	01/07/2009	51.00

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<i>Name of subsidiaries</i>	<i>Location</i>	<i>Status of operation</i>	<i>Date of establishment or acquisition</i>	<i>% holding</i>
<b>Construction, trading and services</b>				
Hoang Anh Gia Lai Sport JSC	Gia Lai, Vietnam	Operating	12/01/2009	63.56
Central HAGL JSC	Da Nang, Vietnam	Operating	06/07/2007	51.85
Hoang Anh Far East Co Ltd	Ho Chi Minh City, Vietnam	Operating	03/10/2009	55.00
Hoang Anh Real Estate Management Services JSC	Ho Chi Minh City, Vietnam	Operating	2007	51.00
HAGL Hospital JSC	Gia Lai, Vietnam	Pre-operating	07/05/2008	46.20
Hoang Anh Gia Lai Road Construction JSC	Gia Lai, Vietnam	Pre-operating	22/12/2009	72.20

**16. OTHER LONG-TERM INVESTMENTS**

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Land held for development:</b>		
Minh Tuan project (i)	449,606,967	441,457,951
Binh Hien project (ii)	337,269,997	335,466,137
Phuc Bao Minh project (iii)	229,028,050	112,274,287
Hai Chau project (iv)	74,924,366	74,150,152
Minh Thanh project (v)	74,742,862	70,606,200
Thanh Khe project (vi)	48,276,000	-
Phu Xuan project	4,000,000	-
An Tien project	-	309,390,348
Bangkok, Thailand	-	33,439,603
<b>Investments in ("BCC")</b>		
Dai Nhan project (vii)	103,134,506	105,620,958
Tan Phong project (viii)	189,857,250	189,857,250
Hiep Binh Phuoc project (ix)	200,000,000	200,000,000
Loans to the Laos Government	266,120,201	-
Investments in common shares	15,386,903	10,931,903
Other investments	-	8,474,910
<b>TOTAL</b>	<b>1,992,347,102</b>	<b>1,891,669,699</b>

# Notes to the consolidated financial statements

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### 16. OTHER LONG-TERM INVESTMENTS (continued)

The land of Minh Tuan, Binh Hien, Hai Chau, Thanh Khe and Phu Xuan projects have been mortgaged to secure the Group's outstanding borrowings (*Notes 18 and 24*).

The Group acquired certain land for development of real estate projects in the future and entered into BCCs for real estate development as follows:

- (i) This land will be used for construction of a complex of high-class apartments and villas in District 9, Ho Chi Minh City.
- (ii) This land will be used to build a complex high-class apartments, commercial centre, and office for lease at 2/9 Road, Da Nang City.
- (iii) The land will be used to construct an apartment building in Tan Phu District, Ho Chi Minh City.
- (iv) The land will be used to construct an apartment building in Hai Chau District, Da Nang City.
- (v) The land will be used to construct an apartment building in District 12, Ho Chi Minh City.
- (vi) This land is under development as Thanh Khe Apartment project.
- (vii) Hoang Anh Housing JSC, a subsidiary, and Dai Nhan Real Estate Investment and Trading JSC signed a BCC on 1 August 2007 to develop a Residential Area of 332,023 square meters at Phuoc Loc Village, Nha Be District, Ho Chi Minh City. Each party will equally make the capital contribution and share the profit or products from the BCC.
- (viii) The Company has signed a BCC with Tan Thuan Investment and Construction Co., Ltd. to develop an apartment building on an area of 28,127 square meters in District 7, Ho Chi Minh City. Under the BCC, the Company has 45% interest in the project.
- (ix) This investment has been contributed to the BCC between the Company and other parties including Van Phuc Real Estates Investment JSC, Dai Nhan Real Estates Investment and Trading JSC and Dong Nam Real Estates Investment and Trading JSC to develop Hiep Binh Phuoc Residential Area and Entertainment Park on an area of 170 hectares. In accordance with the BCC, a new entity will be established to manage the project in which the Company will hold 55% interest.

Loans to the Laos Government represent the interest-free loans in accordance with the Memorandum of Understanding signed with the Laos Government on 4 April 2008. The loans will be settled in kind in the form of wood or wood products within three years.

Investments in common shares represent long-term investments of certain subsidiaries in common unlisted shares of entities where the Group does not have significant influence or control. These investments were previously made by the subsidiaries before being acquired by the Company.

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## 17. LONG-TERM PREPAID EXPENSES

	VND'000
	<i>Current year</i>
	<i>Prior year</i>
Beginning balance	331,880,376
Addition	97,573,931
Decrease due to termination of land lease contract	(198,133,393)
Amortization	(89,357,284)
<b>Ending balance</b>	<b>141,963,630</b>
	<b>331,880,376</b>

In June 2009, the Company's subsidiary, Phu Hoang Anh Joint Stock Company, terminated the lease of a parcel of land from Phu Long Company Limited, its former minority shareholder. Phu Long Company Limited has returned to the Company the unamortised portion of the prepaid land rentals.

## 18. SHORT-TERM LOANS AND BORROWINGS

	VND'000
	<i>Ending balance</i>
	<i>Beginning balance</i>
Convertible bonds	1,450,000,000
Short-term loans	-
Loans payable to banks	842,197,137
Loans payable to other entities and individuals	57,000
	842,254,137
Current portion of long-term bank loans (Note 24)	699,543,636
<b>TOTAL</b>	<b>2,991,797,773</b>
	<b>1,203,108,474</b>

### 18.1 Convertible bonds

On 5 October 2009, the Company's shareholders approved the issuance of 1,450,000 units of convertible bonds to some investors at face value of VND 1,000,000 per unit. The bonds are interest-free and can be convertible into the Company's ordinary shares after one year or earlier at the option of the holders. The conversion price was discounted by 20% of the average closing market price of the Company's shares within 15 consecutive trading days before the last purchase registration date and will be adjusted according to the effect of any bonus shares issuance subsequently. The Company generated a total proceeds of VND'000 1,450,000,000 which will be used for the construction of apartments, development of rubber plantation, hydro-power plants and working capital requirements of the Group. As at 31 December 2009, no bond has been converted yet to ordinary shares.



# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 18.2 Loans payable to banks

VND'000

	Ending balance	Beginning balance
Saigon Thuong Tin Commercial Bank (Sacombank)	304,647,643	202,668,295
Bank for Foreign Trade of Vietnam (Vietcombank)	239,461,533	338,934,175
Bank for Investment and Development of Vietnam (BIDV)	175,540,593	534,604,426
Lao Viet Bank (LVB)	59,310,345	29,093,843
Vietnam International Commercial Bank (VIB)	38,146,995	-
Agriculture and Rural Development Bank of Vietnam (Agribank)	25,090,028	25,000,000
Military Bank (MB)	-	7,993,354
<b>TOTAL</b>	<b>842,197,137</b>	<b>1,138,294,093</b>

The Group obtained these loans to finance its working capital requirements. The terms and conditions of loans payable to banks follow:

	Interest rate (p.a.)	Collateral assets
Sacombank	12.00%	Unsecured
Vietcombank	12.00%	Plant and machinery at the furniture, rubber and granite factories, and 90,911,900 shares of the Company in Hoang Anh Construction and Development Housing JSC (a subsidiary)
BIDV	11.00%-12.00%	Term deposits with BIDV of VND 100 billion and land use rights of 8,526 square meters
LVB	9.90%	Unsecured
VIB	10.50%	Land use rights in Can Tho City
Agribank	12.00%	Houses at No. 303-305 Phan Dinh Phung Street, Phu Nhuan District, No. 5 Tran Cao Van, Phu Nhuan District and No. 8-10 Mai Van Vinh, District 7, Ho Chi Minh City

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**19. ADVANCES FROM CUSTOMERS**

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Advances from trade customers	42,900,982	16,659,795
Deposits from customers for purchase of apartments	1,496,508	81,766,345
<b>TOTAL</b>	<b>44,397,490</b>	<b>98,426,140</b>

**20. STATUTORY OBLIGATIONS**

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax (Note 31.1)	133,031,368	135,946,896
Value-added tax payable	130,553,105	13,703,956
Personal income tax	943,412	166,781
Other taxes	1,246,129	2,452,228
<b>TOTAL</b>	<b>265,774,014</b>	<b>152,269,861</b>

**21. ACCRUED EXPENSES**

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Accrued construction costs for completion of the sold units of apartment	548,643,141	300,624,735
Interest expense	35,503,544	53,905,437
Apartment warranty costs	28,994,252	5,284,365
Penalties arising from late delivery of apartments to customers	18,982,400	4,006,514
Others	12,860,609	4,028,137
<b>TOTAL</b>	<b>644,983,946</b>	<b>367,849,188</b>

**22. OTHER PAYABLES**

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Payable to other companies	53,188,942	83,100,000
Payables to employees	23,441,156	-
Payable for land acquisition	18,259,456	106,020,495
Dividend payable	17,400,000	-
Payable due to late transfer of the ownership of apartments to customers	7,649,096	16,696,006
Remunerations payable to BOM members	-	1,075,740
Payable to related parties	-	86,594,225
Others	12,601,365	14,596,654
<b>TOTAL</b>	<b>132,540,015</b>	<b>308,083,120</b>

# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 23. OTHER LONG-TERM LIABILITIES

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Deposits received from selling Certified Emissions Reduction (CER)	19,757,878	-
Deposits received from tenants for office leases	4,234,515	4,318,682
<b>TOTAL</b>	<b>23,992,393</b>	<b>4,318,682</b>

### 24. LONG-TERM LOANS AND DEBTS

VND'000

	<i>Ending balance</i>	<i>Beginning balance</i>
Bonds	1,450,000,000	1,000,000,000
Long-term bank loans	1,498,250,799	938,113,436
<b>TOTAL</b>	<b>2,948,250,799</b>	<b>1,938,113,436</b>
<i>In which</i>		
<i>Current portion (Note 18)</i>	699,543,636	44,469,853
<i>Non-current portion</i>	2,248,707,163	1,893,643,583

#### 24.1 Bonds

Bonds comprised of bonds amounting to VND 1,000 billion and VND 450 billion issued by the Company and its subsidiary, respectively, as follows:

The Company issued VND straight bonds aggregating to VND 1,000 billion in 2008. All bonds are secured by the land use rights of Hoang Anh River View and Kinh Te projects of the Group, and apartments under construction of Hoang Anh River View project of the Group valued at VND'000 1,821,783,170. The arrangers of the bond issuance are The Bank for Investment and Development of Vietnam ("BIDV") and BIDV Security Company Limited. Details were as follows:

- In September 2008, the Company issued VND 550 billion and VND 100 billion straight bonds at par value of VND 1 billion per unit which are redeemable at par value by 30 September 2010 and 30 September 2011, respectively. The VND 550 billion bond bears interest rate which is equivalent to 20.50% per annum (p.a.) in the first interest payment period which will fall on 30 March 2009 and 150% of the base rate announced by the State Bank of Vietnam ("SBV") minus (-) a margin of 0.5% p.a. in the following periods. The VND 100 billion bond bears interest rate which is equivalent to 21.00% p.a. in the first interest payment period which will fall on 30 March 2009 and 150% of the base rate announced by the SBV in the following periods. Interest is payable on semi-annual basis which on 30 March and 30 September. The proceeds are used to finance the ongoing real estate, hydropower and rubber plantation projects of the Group.
- In December 2008, the Company issued another VND 100 billion and VND 250 billion straight bonds at par value of VND 1 billion per unit which are redeemable at par value by 31 December 2010 and 31 December 2011, respectively. The VND 100 billion bond bears interest rate of 12.25%

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p.a. in the first interest payment period and a floating rate equivalent to 150% of the base rate announced by the SBV minus (-) a margin of 0.5% p.a in the following periods. The VND 250 billion term bond bears interest rate of 12.75% p.a. in the first interest payment period and a floating rate equivalent to 150% of the base rate per annum announced by the SBV in the following periods. The interest is payable on semi-annual basis which on 30 June and 31 December. The proceeds are used to finance the ongoing real estate, hydropower and rubber plantation projects of the Group.

Phu Hoang Anh Joint Stock Company ("PHA"), the subsidiary, has issued VND straight bonds aggregating to VND 450 billion solely to Housing Development Commercial Joint Stock Bank of Ho Chi Minh City ("HDBank") during the year. The bonds are secured by 37,624 square meters of land use rights at Lot 9, Nguyen Huu Tho Street, Phuoc Kien Ward, Nha Be District, Ho Chi Minh City and assets to be formed on this land. The proceeds are used to finance the ongoing real estate projects of the subsidiary. Details of these bonds are as follows:

- VND 200 billion straight bonds at par value of VND 1 billion per unit which are redeemable at par value by 22 May 2012. The bond bears interest rate of 11% p.a. in the first interest payment period and a floating rate equivalent to the average twelve-month term deposits plus (+) a margin of 3.5% p.a. of HDBank. The interest is payable on semi-annual basis.
- VND 250 billion straight bonds at par value of VND 1 billion per unit which are redeemable at par value by 31 December 2012 or at the time of repurchase by PHA. PHA has the right to repurchase these bonds before maturity after 2 years from the issuance date. The bond bears interest rate of 12% p.a. in the first interest payment period and a floating rate equivalent to the average twelve-month term deposits plus (+) a margin of 3.5% per annum of HDBank but not lower than 12% p.a. The interest is payable on semi-annual basis.

## 24.2 Long-term bank loans

Details are as follows:

	VND'000	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bank for Investment and Development of Vietnam (BIDV)	660,671,767	406,136,111
Bank for Foreign Trade of Vietnam (Vietcombank)	387,845,616	125,582,609
Saigon Thuong Tin Commercial Bank (Sacombank)	174,880,238	45,000,000
Ho Chi Minh City Housing Development Bank (HDB)	139,353,178	216,385,678
Agriculture and Rural Development Bank of Vietnam (Agribank)	100,000,000	100,000,000
Industrial and Commercial Bank of Vietnam (VietinBank)	35,500,000	41,500,000
Vietnam Development Bank (VDB)	-	3,509,038
<b>TOTAL</b>	<b>1,498,250,799</b>	<b>938,113,436</b>

The Group obtained these loans mainly to finance the construction and development of hydropower projects, rubber plantation, apartment projects, hotels and resorts and purchases of machinery and equipment.



# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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The details of long-term bank loans follow:

<i>Name of banks</i>	<i>Ending balance (VND'000)</i>	<i>Term and maturity date</i>	<i>Interest rate</i>	<i>Collateral (Notes 9, 11 and 12)</i>
<b>BIDV, Gia Lai Branch</b>				
Loan Agreement No.01/2009/HDTD-DH, dated 28 October 2009	16,908,000	12 years	10.50% pa	All assets formed from and financed by this loan
Loan agreement No 01/2009/HDTD-DH dated 27 November 2009	14,800,000	Maturity by 27 September 2020	150% of base rate	All assets formed from and financed by this loan
Loan Agreement No. 01/2008/HD, dated 5 September 2008	29,720,501	Repayment within 60 months from the first drawdown including four instalments commencing from March 2010	150% of base rate	Machinery financed by this loan
Loan Agreement No. 01/2004/HD, dated 25 August 2004	24,864,573	108 months from the first drawdown, comprising a 24-month grace period and a 84-month repayment period	12-month deposit rate plus 2.40% p.a.	All assets of Hoang Anh Gia Lai Hotel which were formed from and financed by this loan
<b>BIDV, Gia Dinh Branch</b>				
Loan Agreement No. 135/2007/0000294, dated 9 April 2007	442,855,000	A credit limit of VND 449 billion for a term of 72 months from the first drawdown	VND 12-month saving interest + 0.40% p.a.	Right to use land and the total assets at New Saigon Apartment formed from and financed by the loan
<b>BIDV, Binh Dinh branch</b>				
Loan Agreement No. 01/2005/HD	39,329,533	96 months from drawdown date, maturity date	10.50% p.a	Land use rights, construction equipment & tools

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<b>Name of banks</b>	<b>Ending balance (VND'000)</b>	<b>Term and maturity date</b>	<b>Interest rate</b>	<b>Collateral (Notes 9, 11 and 12)</b>
<b>BIDV, Dak Lak branch</b>				
Loan agreement No.01/2008/HĐTD, dated 12 August 2008	75,968,856	5 years from the contract date	VND 12-month saving interest + 4.00 % p.a.	Assets formed from and financed by this loan
Medium term Loan agreement No.01/2007/HĐTD, dated 8 August 2007	5,996,212	5 years	13.20% p.a. for 2007, and subject to BIDV's announcement subsequently	Assets formed from and financed by this loan
Medium term Loan agreement No.01/2009/HĐTD, dated 20 January 2009	5,285,000	5 years	12.75% p.a. until 30 June 2009, and subject to BIDV's announcement subsequently	Assets formed from and financed by this loan
Long term Loan agreement No.01/2009/HĐTD, date 6 August 2009	4,944,092	10 years	10.50% p.a. until 31 December 2009, and subject to BIDV's announcement subsequently	Assets formed from and financed by this loan
<b>Vietcombank, Gia Lai Branch</b>				
Loan Agreement No. 140/05/NHNT, dated 18 May 2005	3,047,894	120 months from the first drawdown, comprising a 24-month grace period and a 96-month repayment period	Effective rate at the drawdown date	All assets of Da Nang Plaza Building which were formed from and financed by this loan and the attached land use rights
Loan Agreement No. 45/08, dated 1 April 2008	80,897,812	36 months from signing date. The repayment will be made annually and the first repayment will be due on 1 Apr 2009.	9.00% p.a. and subject to periodic adjustments	Machines and spare parts specified in Contract No. 146/HAGL-PM/2007 between the Company and Powermax Machinery Company

# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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<i>Name of banks</i>	<i>Ending balance (VND'000)</i>	<i>Term and maturity date</i>	<i>Interest rate</i>	<i>Collateral (Notes 9, 11 and 12)</i>
<b><i>Vietcombank, Gia Lai Branch (continued)</i></b>				
Loan Agreement No. 01/2009/HAGLH-HĐTD, date 20 March 2009	202,380,642	36 months from signing date. The repayment will be made annually and the first repayment will be due on 1 Apr 2009	Base rate plus 3% p.a	All assets formed from Dakrong 2 Hydro-power project
Loan Agreement 02/2009/HAGLH-HĐTD, date 5 August 2009	69,400,763	36 months from signing date. The repayment will be made annually and the first repayment will be due on 1 Apr 2009	Base rate plus 3.40% p.a	All assets formed from Dakrong 2A Hydro-power project
<b><i>Vietcombank, Quy Nhon Branch</i></b>				
Loan Agreement No.327/HĐTD, dated 25 December 2003	19,250,000	120 months from the first drawdown, comprising a 24-month grace period and a 96-month repayment period	Floating interest rate	All assets of Hoang Anh Quy Nhon Resort which were formed from and financed by this loan
<b><i>Vietcombank, Phu Tai Branch</i></b>				
141/HĐTD (20 March 2009)	5,322,174	60 months from the first drawdown	10.50% p.a.	Future assets with current carrying value of VND'000 7,818,000
374/HĐTD (29 June 2009)	1,080,865	60 months from the first drawdown	6.50% p.a.	Future assets with current carrying value of VND'000 1,950,000
283/HĐTD (16 September 2009)	5,156,103	50 months from the first drawdown	10.50% p.a.	Future assets with current carrying value of VND'000 10,806,451
192/HĐTD (23 June 2008)	980,000	60 months from the first drawdown	10.50% p.a.	Land lease rights
158/HĐTD (13 July 2006)	329,363	48 months from the first drawdown	10.50% p.a.	Fixed assets with carrying value of VND'000 2,907,034

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<i>Name of banks</i>	<i>Ending balance (VND'000)</i>	<i>Term and maturity date</i>	<i>Interest rate</i>	<i>Collateral (Notes 9, 11 and 12)</i>
<b>Sacombank, Da Nang Branch</b>				
Loan Agreement No. 7683, dated 6 August 2007	43,593,750	120 months, comprising 32 instalments commencing from December 2009	13.20% p.a. for the six first months; subsequently 13-month deposit rate plus 0.45% per month	All land area and assets associated with the land at Hai Chau District, Da Nang City
Loan Agreement No. 10270, dated 28 May 2009	76,774,037	Repayment within 72 months from the drawdown date	0.875% per month for the first six months; and subsequently 13-month deposit rate plus 0.36% per month	Certain land held for development in Binh Hien Ward; Bau Thac Gian and Hao Hai Ward which are all located in Da Nang City
Loan agreement LD 0931400065, dated 10 November 2009	45,000,000	96 months from the drawdown date	10.56% p.a.	Land at No 2, Phan Lang buliding, Da Nang City
Several loan agreements in June 2009	9,512,451	36 months from the first drawdown date	10.32% p.a.	Vehicles financed by the loans
<b>Vietinbank, Gia Lai Branch</b>				
Loan Agreement No. 15/HDTD, dated 5 February 2005	35,500,000	96 months, comprising 32 quarterly instalments commencing from 25 March 2007	12-month deposit rate plus 3% p.a	All assets of Hoang Anh Da Lat Resort which were formed from and financed by this loan
<b>Agribank, District 9 Branch</b>				
Loan Agreement No. 01307055, dated 10 August 2007	100,000,000	A credit limit of VND 130 billion for 60 months from the drawdown date	12.60% p.a	All assets of Phuoc Long B project
<b>HDBank</b>				
Loan Agreement No. 639/07, dated 19 July 2007	139,353,178	A credit limit of VND 400 billion for 60 months from the drawdown date with a 24-month grace period	Effective interest rate of HDBank	Land use rights at lot No. 9 Nguyen Huu Tho Street, Phuoc Kien Commune, Nha Be District , Ho Chi Minh City
<b>Total</b>	<b>1,498,250,799</b>			



# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

### 25. SHAREHOLDERS' EQUITY

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#### 25.1 Increase and decrease in shareholders' equity

VND'000

	Share capital	Share premium	Consolidation reserve	Treasury shares	Foreign exchange differences	Investment and development fund	Financial reserve fund	Undistributed earnings	Bonus and welfare fund	Total
Beginning balance	1,798,145,010	1,840,361,593	(280,765,140)	(327,979,971)	2,734,772	8,622,737	22,528,069	665,280,804	18,569,476	3,747,497,350
Issuance of new shares by way of stock dividends during the year	896,509,570	(537,905,742)	-	-	-	-	-	(358,603,828)	-	-
Bonus shares for employees	10,000,000	-	-	-	-	-	-	-	(10,000,000)	-
Net profit for the year	-	-	-	-	-	-	-	1,188,853,263	-	1,188,853,263
Transfer to funds	-	-	-	-	-	-	60,000,000	(90,000,000)	30,000,000	-
Payment of bonus and welfare	-	-	-	-	-	-	-	-	(21,984,131)	(21,984,131)
Consolidation reserve	-	-	(118,472,779)	-	-	-	-	(46,908,975)	-	(165,381,754)
Repurchases of shares	-	-	-	(30,091,699)	-	-	-	-	-	(30,091,699)
Disposal of treasury shares	-	(78,484,790)	-	327,979,971	-	-	-	-	-	249,495,181
Foreign exchange differences	-	-	-	-	17,729,015	-	-	-	-	17,729,015
Cash dividend	-	-	-	-	-	-	-	(269,721,752)	-	(269,721,752)
Remuneration for members of the Board of Management and the Audit Committee	-	-	-	-	-	-	-	(4,895,264)	-	(4,895,264)
<b>Ending balance</b>	<b>2,704,654,580</b>	<b>1,223,971,061</b>	<b>(399,237,919)</b>	<b>(30,091,699)</b>	<b>20,463,787</b>	<b>8,622,737</b>	<b>82,528,069</b>	<b>1,084,004,248</b>	<b>16,585,345</b>	<b>4,711,500,209</b>

During the year, the Company declared and paid a cash dividend at 1,500 VND per share (total dividend amount was VND'000 269,721,752) from profit after tax of the year 2008.

Based on the result of opinion collection from shareholders by letters summarized on 15 September 2009, the Company's shareholders approved the issuance of bonus shares to existing shareholders at the ratio of 2:1 (2 existing shares for 1 new share), of which 40% would be funded from retained earnings of the year 2008 and the 60% would be taken from share premium fund. The shareholder also approved the issuance of 1,000,000 shares to employees funded from the bonus and welfare fund. Based on the allocation list from Vietnam Securities Depository, the Company issued a total of 89,650,957 shares to existing shareholders and 1,000,000 bonus shares to employees.

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## 25.2 Shares

	<b>Current year Shares</b>	<b>Prior year Shares</b>
<b>Shares authorised to be issued</b>	<b>270,465,458</b>	<b>179,814,501</b>
<b>Shares issued and fully paid</b>	<b>270,465,458</b>	<b>179,814,501</b>
<i>Ordinary shares</i>	<i>270,465,458</i>	<i>179,814,501</i>
<b>Treasury shares</b>	<b>512,290</b>	<b>2,792,141</b>
<i>Ordinary shares held by the Company</i>	<i>512,290</i>	<i>-</i>
<i>Ordinary shares held by the subsidiaries</i>	<i>-</i>	<i>2,792,141</i>
<b>Outstanding shares</b>	<b>269,953,168</b>	<b>177,022,360</b>
<i>Ordinary shares</i>	<i>269,953,168</i>	<i>177,022,360</i>

## 25.3 Treasury shares

In September 2009, the Company's subsidiaries have disposed all of the Company's shares purchased previously with total proceeds of VND'000 248,393,276 and recorded the associated loss against the share premium in the consolidated financial statements of the Group.

During the year, the Company has repurchased its shares totalling 512,290 shares at an aggregate purchase price of VND'000 30,091,699.

## 26. EARNINGS PER SHARE

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

	<b>Current year</b>	<b>Prior year (restated)</b>
Net profit attributable to ordinary equity holders of the parent (VND'000)	1,188,853,263	700,304,969
Interest on convertible bond	-	-
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution (VND'000)	<b>1,188,853,263</b>	<b>700,304,969</b>
Weighted average number of ordinary shares during the year	268,250,552	267,783,507
Weighted average number of potential shares from convertible bonds	2,658,741	-
Weighted average number of ordinary shares adjusted for the effect of dilution	<b>270,909,293</b>	<b>267,783,507</b>
<b>Earnings per share</b>		
Basic earnings per share (VND)	4,432	2,615
Diluted earnings per share (VND)	4,388	2,615

The basic earnings per share of the prior year was adjusted for the effect of the bonus shares issued at the ratio of 2:1 in November 2009.

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### 27. REVENUES

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

	VND'000	
	Current year	Prior year
<b>Gross revenues</b>	<b>4,370,251,754</b>	<b>1,885,145,765</b>
<i>Of which:</i>		
<i>Sale of apartments</i>	3,373,859,483	1,230,883,934
<i>Sale of goods</i>	543,253,583	439,220,045
<i>Revenue from construction contracts</i>	319,242,570	106,054,942
<i>Revenue from services</i>	133,896,118	108,986,844
<b>Less</b>	<b>(4,943,033)</b>	<b>(4,401,358)</b>
Sales returns	(4,943,033)	(3,740,052)
Sales discounts	-	(661,306)
<b>Net revenues</b>	<b>4,365,308,721</b>	<b>1,880,744,407</b>
<i>Of which:</i>		
<i>Sale of apartments</i>	3,373,859,483	1,230,883,934
<i>Sale of goods</i>	538,519,063	435,479,993
<i>Revenue from construction contracts</i>	319,242,570	106,054,942
<i>Rendering of services</i>	133,687,605	108,325,538

#### 27.2 Income from financial activities

	VND'000	
	Current year	Prior year
Gain on disposal of equity investment (Note 8 and 15.1)	102,889,197	400,000,045
Interest income from bank deposits	53,197,663	23,363,313
Income from trust investments	16,768,800	-
Interest income from loans to individuals	11,024,678	5,494,000
Foreign exchange gains	7,450,806	5,827,554
Share of net profit of associates	5,142,260	3,897,679
Dividend	1,916,715	-
Others	991,649	36,114
<b>TOTAL</b>	<b>199,381,768</b>	<b>438,618,705</b>

Notes to the consolidated financial statements  
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**28. COSTS OF GOODS SOLD AND SERVICES RENDERED**

	VND'000	
	<i>Current year</i>	<i>Prior year</i>
Cost of apartments sold	1,681,180,646	485,217,698
Cost of goods sold	384,391,396	348,113,820
Cost of construction contracts	171,498,379	62,906,502
Cost of services rendered	121,476,576	94,393,573
<b>TOTAL</b>	<b>2,358,546,997</b>	<b>990,631,593</b>

**29. EXPENSES FROM FINANCIAL ACTIVITIES**

	VND'000	
	<i>Current year</i>	<i>Prior year</i>
Interest expense on loans	207,443,514	88,500,954
Foreign exchange loss	5,368,425	2,397,789
Others	618,566	4,899,200
<b>TOTAL</b>	<b>213,430,505</b>	<b>95,797,943</b>

**30. OTHER INCOME AND EXPENSES**

	VND'000	
	<i>Current year</i>	<i>Prior year</i>
<b>Other income</b>	<b>48,461,912</b>	<b>12,717,959</b>
Gain on disposal of land	28,633,508	-
Sales of scrap materials	9,992,765	4,583,259
Proceeds from disposal of fixed assets	4,331,983	2,553,361
Compensation received	3,115,992	2,689,711
Contract transfer fee income	-	1,673,636
Others	2,387,664	1,217,992
<b>Other expenses</b>	<b>26,730,915</b>	<b>39,031,852</b>
Net carrying amounts of disposed assets	16,459,788	8,071,883
Cost of scrap materials	4,143,431	1,498,001
Compensation paid	3,531,558	24,843,957
Loss of goods	-	2,275,461
Others	2,596,138	2,342,550
<b>Net profit/(loss)</b>	<b>21,730,997</b>	<b>(26,313,893)</b>

Gain on disposal of land pertains to the transfers during the period of land use rights by Phu Hoang Anh Joint Stock Company, a subsidiary, to Phu Long Company Limited, its former minority shareholder, and by Hoang Anh Quang Minh Rubber Joint Stock Company, a subsidiary, to a third party (Note 12).



# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 31. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate of 25 % of taxable profits.

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

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using applicable tax rates that have been enacted by the balance sheet date.

The CIT expense for the year comprises:

		VND'000
	<i>Current year</i>	<i>Prior year</i>
Current tax (Note 31.1)		
CIT expense for the year	134,664,495	153,680,790
Additional CIT from prior year	2,987,517	-
	137,652,012	153,680,790
Deferred tax (Note 31.2)	318,953,626	87,134,691
<b>TOTAL</b>	<b>456,605,638</b>	<b>240,815,481</b>

#### 31.1 Current CIT

		VND'000
	<i>Current year</i>	<i>Prior year</i>
CIT payable at beginning of year	135,946,896	131,323,839
CIT payable for the year	137,652,012	153,680,790
Advance CIT payable on progress payments from customers (*)	72,301,999	-
CIT paid during the year	(212,869,539)	(149,057,733)
<b>CIT payable at end of year</b>	<b>133,031,368</b>	<b>135,946,896</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 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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The computation of CIT for the year is as follows:

	VND'000
	<i>Current year</i>
	<i>Prior year</i>
<b>Profit before tax</b>	<b>1,743,504,324</b>
<b>Adjustments to increase (decrease) accounting profit</b>	
<b>Adjustments to increase</b>	
Revenue from sale of apartments recognized under stage of completion in prior years but was taxable in the current year	1,031,956,167
Cost from sale of apartments recognized under stage of completion in the current year but was not yet taxable	1,695,652,999
Cost of non-taxable construction work rendered	164,920,172
Land cost allocation at the consolidation level	76,259,873
Intra-group unrealized profit	(109,109,170)
Accrued expenses	183,504,104
Losses of subsidiaries	44,422,616
Non-deductible cost of disposal of an associate	9,110,803
Non-deductible expenses	6,341,899
Donations	-
<b>Adjustments to decrease</b>	
Revenue from sale of apartments recognized under stage of completion in the current year but was not yet taxable	(3,343,133,037)
Cost from sale of apartments recognized under stage of completion in prior years and was taxable in the current year	(658,205,379)
Non-taxable revenue of construction work rendered	(241,748,669)
Share of profit in associates	(5,142,260)
Dividend received	(1,804,491)
Last year's accrued expenses paid in the current year	(45,741,081)
Minority interest's share of loss on disposal of treasury shares	(3,622,915)
Others	(8,507,974)
<b>Adjusted profit before loss carried forward</b>	<b>538,657,981</b>
Tax loss brought forward	-
<b>Estimated current taxable profit</b>	<b>538,657,981</b>
<b>Estimated current CIT at rate 25%</b>	<b>134,664,495</b>

# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 31.2 Deferred CIT

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

	<i>Consolidated balance sheet</i>		<i>VND'000</i> <i>Debit (credit)</i> <i>to current year</i> <i>consolidated</i> <i>income statement</i>
	<i>Ending balance</i>	<i>Beginning balance</i>	
<b>Deferred tax assets</b>			
Tax losses of subsidiaries	19,450,913	8,345,259	(11,105,654)
Unrealized intra-group profit	3,910,600	30,458,774	26,548,174
Accrued expenses	45,876,026	12,600,368	(33,275,658)
	<b>69,237,539</b>	<b>51,404,401</b>	
<b>Deferred tax liabilities</b>			
Negative goodwill credited to the consolidated income statement	61,439,435	61,439,435	-
Profit from apartment sale recognised under stage of completion but was not yet taxable	510,072,745	173,285,981	336,786,764
	<b>571,512,180</b>	<b>234,725,416</b>	
Advance CIT payable on advances from customers (Note 31.1)	(72,301,999)	-	
	<b>499,210,181</b>	<b>234,725,416</b>	
<b>Net deferred income tax debited to income</b>			<b>318,953,626</b>

Notes to the consolidated financial statements  
for the year ended 31 December 2009  
(continued)

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## 32. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Amounts</i>
Huynh De Construction Corporation	Related company	Construction of New Saigon and River View apartments for the Group	130,831,744
		Subcontract work provided by the Company's An Phu Branch	72,046,294
		Sale of goods from the Group	32,471,828
Truc Thinh Trading and Services Company Limited	Related company	Construction of New Saigon apartments for the Group	130,823,162
		Advances received for construction of Phu Hoang Anh apartments for the Group	150,000,000
		Sale of goods from the Group	85,936,083
Binh Dinh Constrexim JSC	Associate	Construction of hydro-power plants and hospital for the Group	54,416,628

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND'000</i> <i>Receivables (Payables)</i>
<b>Trade receivables</b>			
Huynh De Construction Corporation	Related company	Subcontract work provided by the Group	3,906,766
Truc Thinh Trading and Services Company Limited	Related company	Sale of goods	51,798,518
<b>Advances to suppliers</b>			
Huynh De Construction Corporation	Related company	Advances for construction work	201,037,747
Truc Thinh Trading and Services Company Limited	Related company	Advances for construction work	153,000,000
Binh Dinh Constrexim JSC	Associate	Advances for construction work	1,171,719



# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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

			VND'000
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Receivables (Payables)</i>
<b>Other receivables</b>			
Truc Thinh Trading and Service Company Limited	Associate company	Disposal of wood	5,445,627
Mr Doan Nguyen Duc	Chairman	Reimbursements of expenses	3,668,719
Hoang Anh Gia Dinh JSC	Associate company	Capital overpayment	2,500,000
<b>Trade payables</b>			
Huynh De Construction Corporation	Related company	Construction of apartments	(35,070,158)
Truc Thinh Trading and Service Company Limited	Related company	Construction of apartments	(1,022,635)
A Dong Investment and Construction Consultant JSC	Associate	Design fee	(8,027,909)
Hoang Anh Mang Yang Rubber JSC	Associate	Purchase of goods	(5,161,060)

Remunerations for the members of Board of Directors ("BOD"), Board of Management ("BOM") and the Board of Control ("BOC") and the Board's secretary are as follows:

		VND'000
	<i>Current year</i>	<i>Prior year</i>
Amount expensed during the year	4,895,264	3,266,093

Notes to the consolidated financial statements  
for the year ended 31 December 2009  
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### 33. COMMITMENTS

#### Operating lease commitment

The Group leases Safomec building for its offices in Ho Chi Minh City. The minimum future lease commitments as at 31 December 2009 were as follows:

VND'000

	<i>Within one year</i>	<i>More than one year to five years</i>	<i>More than five years</i>	<i>Total</i>
Office lease	3,033,660	13,348,104	92,829,996	109,211,760

The Group also leases parcels of land in Vietnam to build factories, football facilities, hotels and for perennial trees plantation. However, as at the date of these consolidated financial statements, the Group has not been able to obtain the lease rates of these parcels of land from the relevant authorities. Accordingly, it is not possible to estimate the minimum future lease payable for these parcels of land. The details of these lands are as follows:

<i>Project / branch</i>	<i>Location</i>	<i>Surface (m<sup>2</sup>)</i>	<i>Contract Number</i>	<i>Contract date</i>	<i>Lease term (years)</i>
Domestic furniture factory	Gia Lai province, Vietnam	20,000	192/HĐ-TĐ	17/4/2001	30
Domestic furniture factory	Gia Lai province, Vietnam	43,438	65/HĐ-TĐ	20/12/2006	36
Granite factory and Football Club	Gia Lai province, Vietnam	44,559	67/HĐ-TĐ	20/12/2006	46
Granite factory	Gia Lai province, Vietnam	35,919	64/HĐ-TĐ	20/12/2006	40
Rubber plantation	Gia Lai province, Vietnam	1,449,822	60/HĐ-TĐ	20/12/2006	36
Acacia aneura plantation	Gia Lai province, Vietnam	1,465,800	61/HĐ-TĐ	20/12/2006	36
Exporting furniture factory	Gia Lai province, Vietnam	34,020	63/HĐ-TĐ	24/10/2006	37
Hoang Anh Gia Lai Hotel	Gia Lai province, Vietnam	14,165	68/HĐ-TĐ	20/12/2006	48

#### Construction and development commitments

At 31 December 2009, the Group has contractual commitments for the construction work for its apartment projects as follows:

VND'000

	<i>Contracted amount</i>	<i>Recognized amount</i>	<i>Remaining commitment</i>
New Saigon Apartments	49,402,125	22,924,381	26,477,744
Hoang Anh Riverview Apartments	93,217,423	27,285,644	65,931,779
Phu Hoang Anh Apartments	1,248,752,339	198,475,148	1,050,277,191
<b>TOTAL</b>	<b>1,391,371,887</b>	<b>248,685,173</b>	<b>1,142,686,714</b>

# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 34. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services, and has seven reportable operating segments as follows:

- Real estate
- Production
- Trading and services
- Construction
- Hospitality
- Football club
- Power
- Plantation

Management monitors the operating results of its business units separately for the purposes of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing, including finance costs and finance revenue, and income taxes are managed on a Group basis and are not allocated to operating segments.

Notes to the consolidated financial statements  
for the year ended 31 December 2009  
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34. SEGMENT INFORMATION (continued)

VND'000

	Real estate	Production	Trading and services	Construction	Hospitality	Football club	Power	Plantation	Eliminations	Total
<b>For the year ended 31 December 2009</b>										
<b>Revenue</b>										
External customers	3,373,859,483	538,519,063	11,305,919	319,242,570	83,481,977	38,899,709	-	-	-	4,365,308,721
Inter-segment	-	376,581,714	30,038,033	340,959,495	1,155,207	-	-	-	(748,734,449)	-
<b>Total</b>	<b>3,373,859,483</b>	<b>915,100,777</b>	<b>41,343,952</b>	<b>660,202,065</b>	<b>84,637,184</b>	<b>38,899,709</b>	<b>-</b>	<b>-</b>	<b>(748,734,449)</b>	<b>4,365,308,721</b>
<b>Results</b>										
Segment results	1,692,678,837	154,127,667	10,951,397	147,744,191	(7,492,195)	8,751,827	-	-	-	2,006,761,724
Unallocated expenses										(249,208,663)
Profit before income tax, financial revenue and financial costs										1,757,553,061
Financial revenue										199,381,768
Financial costs										(213,430,505)
Profit before income tax										1,743,504,324
Income tax expense										(456,605,638)
<b>Net profit after tax for the year</b>										<b>1,286,898,686</b>
<b>As at 31 December 2009</b>										
<b>Assets and liabilities</b>										
Segment assets	5,398,806,818	720,114,262	83,342,811	129,880,443	247,051,866	62,544,243	794,418,821	954,377,060	-	8,390,536,324
Cash of the Group										1,944,228,950
Investments in associates										69,098,898
Unallocated assets										1,792,347,102
<b>Total assets</b>										<b>12,196,211,274</b>
Segment liabilities	(1,468,245,598)	(216,990,363)	(2,922,241)	(94,557,914)	(4,402,673)	(3,444,257)	(38,150,518)	(5,251,071)	-	(1,833,964,635)
Unallocated liabilities										(5,234,592,113)
<b>Total liabilities</b>										<b>(7,068,556,748)</b>



# Notes to the consolidated financial statements

## for the year ended 31 December 2009 (continued)

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### 35. SUBSEQUENT EVENTS

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



Ms **Ho Thi Kim Chi**  
Chief Accountant



Mr **Nguyen Van Su**  
General Director

25 January 2010



ĐƠN VỊ TỔNG Sponsoring  
TP. HCM Sponsoring - 2010  
CUP NAVI BANK 2010

GIẢI BÓNG ĐÁ ĐỘI VÔ ĐỊCH TP. HCM LẦN III -  
VIỆT ANH 2010

ĐỘI VÔ ĐỊCH  
VIỆT ANH 2010  
ĐOÀN BÓNG ĐÁ TP. HCM LẦN III

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