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LAO CAI INTERNATIONAL HOTEL JOINT VENTURE COMPANY
(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN TÀI CHÍNH
THÀNH VIÊN HÃNG KIỂM TOÁN QUỐC TẾ KRESTON INTERNATIONAL
AUDIT AND FINANCIAL CONSULTING LIMITED COMPANY AND ASSOCIATES
Member of Kreston International

Kiểm toán/Audit ■ Thuế/Tax ■ Tư vấn/Consulting ■ Tài chính doanh nghiệp/Corporate Finance ■

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Lao Cai International Hotel Joint Venture Company ("the Company") presents this Report together with the Company's audited Financial Statements for the year ended 31 December 2009.

THE BOARDS OF MANAGEMENT AND DIRECTORS

The members of the Boards of Management and Directors of the Company, who held office during the year and at the date of this Report are as follows:

Board of Management

Mr. Do Du Bac	Chairman
Mr. Benjamin Lim Keong Hoe	Member
Mr. Ang Teck Foo	Member
Mr. Lim Keong Yew	Member
Mr. Ong Chong Hock	Member
Mr. Dam Ngoc Vang	Member (appointed on 01 November 2009)
Mr. Tran Quoc Hung	Member (resigned on 01 November 2009)

Board of Directors

Mr. Goh Kwey Biaw	General Director
Mr. Tran Quoc Hung	Deputy General Director

AUDITORS

The accompanying Financial Statements have been audited by Audit and Financial Consulting Company - *Member of Kreston International.*

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

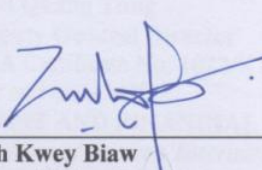
The Board of Directors of the Company is responsible for preparing the Financial Statements from pages 3 to 15, which give a true and fair view of the financial position of the Company and of its results and cash flows for the year. In preparing these Financial Statements, the Board of Directors is required to:

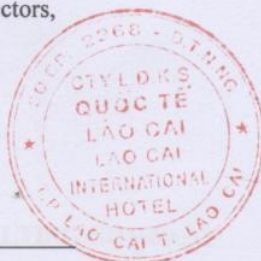
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.


The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the Financial Statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing these Financial Statements.

For and on behalf of the Board of Directors,


Goh Kwey Biaw
General Director
Lao Cai, 26 April 2010




Tran Quoc Hung
Deputy General Director

No. 114/BCKT 2010-2

AUDITORS' REPORT

**To: The Boards of Management and Directors
Lao Cai International Hotel Joint Venture Company**

We have audited the accompanying Balance sheet of Lao Cai International Hotel Joint Venture Company ("the Company") as at 31 December 2009, and the related statements of income and cash flows for the year then ended. As discussed in Note 2 of the Notes to the Financial Statements, the accompanying Financial Statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Respective Responsibilities of the Board of Directors and Auditors

As stated in the Statement of the Board of Directors on page 1, these Financial Statements from pages 3 to 15 are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on these Financial Statements based on our audit.

Basis of Opinion

We have conducted our audit in accordance with Vietnamese Standards on Auditing and International Standards on Auditing which have not been addressed by Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements and the Notes to the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the accompanying Financial Statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2009 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam.



Chu Quang Tung
Deputy General Director
CPA Certificate No. 1022/KTV
For and on behalf of
AUDIT AND FINANCIAL CONSULTING COMPANY
Member of Kreston International
Hanoi, 26 April 2010



Nguyen Hong Hien
Auditor
CPA Certificate No. 1117/KTV

BALANCE SHEET
 As at 31 December 2009

FORM B 01-DN
 Unit: VND

ASSETS	Codes	Notes	31/12/2009	31/12/2008
A - CURRENT ASSETS (100=110+130+140+150)	100		95,695,958,129	40,971,535,005
I. Cash and cash equivalents	110	4	93,793,291,487	38,374,458,296
1. Cash	111		93,793,291,487	38,374,458,296
III. Short-term receivables	130		515,367,030	701,569,162
1. Trade accounts receivable	131		3,010,000	10,247,300
2. Advances to suppliers	132		493,232,550	158,479,982
5. Other receivables	135		19,124,480	532,841,880
IV. Inventories	140		942,945,672	1,711,111,447
1. Inventories	141	5	942,945,672	1,711,111,447
V. Other short-term assets	150		444,353,940	184,396,100
4. Other short-term assets	158	6	444,353,940	184,396,100
B - NON-CURRENT ASSETS (200 = 220+250+260)	200		25,215,966,938	63,810,993,678
II. Fixed assets	220		24,209,251,199	62,695,658,686
1. Tangible fixed assets	221	7	23,333,629,661	28,264,723,706
- Cost	222		51,593,241,717	50,154,029,249
- Accumulated depreciation	223		(28,259,612,056)	(21,889,305,543)
3. Intangible fixed assets	227	8	851,964,299	879,756,680
- Cost	228		1,149,911,471	1,139,820,562
- Accumulated amortisation	229		(297,947,172)	(260,063,882)
4. Construction in progress	230		23,657,239	33,551,178,300
IV. Long-term financial investments	250		-	3,000,000
3. Other long-term financial investments	258		-	3,000,000
V. Other non-current assets	260		1,006,715,739	1,112,334,992
1. Long-term prepayments	261	9	1,006,715,739	1,112,334,992
TOTAL ASSETS (270 = 100 + 200)	270		120,911,925,067	104,782,528,683

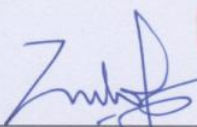
BALANCE SHEET (continued)
 As at 31 December 2009

FORM B 01-DN
 Unit: VND

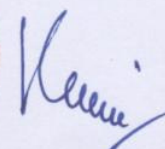
RESOURCES	Codes	Notes	31/12/2009	31/12/2008
A - LIABILITIES (300=310+320)	300		72,388,924,906	86,195,118,828
I. Current liabilities	310		62,538,730,261	41,881,103,946
1. Short-term loans	311	10	25,044,042,570	1,063,863,705
2. Trade accounts payable	312		583,968,723	33,942,824,035
4. Taxes and amounts payable to the State budget	314	11	18,000,863,466	2,283,333,634
5. Payables to employees	315		1,175,858,043	459,883,225
6. Accrued expenses	316		655,000,000	-
9. Other current payables	319	12	17,078,997,459	4,131,199,347
II. Long-term liabilities	320		9,850,194,645	44,314,014,882
4. Long-term loans	334	13	9,554,769,645	43,924,014,882
6. Provision for severance allowance	336		295,425,000	390,000,000
B - EQUITY (400=410)	400		48,523,000,161	18,587,409,855
I. Owner's equity	410		48,523,000,161	18,587,409,855
1. Legal capital	411	14	27,659,711,136	26,769,385,514
6. Foreign exchange reserve	416		1,425,488,704	-
10. Retained earnings	420	14	19,437,800,321	(8,181,975,659)
TOTAL RESOURCES (440 = 300+ 400)	430		120,911,925,067	104,782,528,683

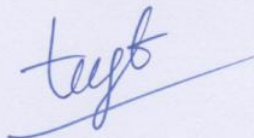
OFF-BALANCE SHEET ITEMS

ITEMS	31/12/2009	31/12/2008
5. Foreign currencies		
+ USD	298,990	538,041
+ CNY (RMB)	22,714,084	9,597,409
+ EUR	3,965	965
+ SGD	8,535	6,935
+ HKD	35,100	31,000


 Goh Kwey Biaw
 General Director
 Lao Cai, 26 April 2010




 Tran Quoc Hung
 Deputy General Director


 Nguyen Thi Tuyet
 Chief Accountant

INCOME STATEMENT
 For the year ended 31 December 2009

FORM B 02-DN
 Unit: VND

ITEMS	Codes	Notes	2009	2008
1. Gross sales of merchandise and services	01		77,078,830,428	42,221,090,457
2. Less deductions	02		15,683,435,158	6,854,254,128
3. Net sales of merchandise and services (10 = 01 - 02)	10	15	61,395,395,270	35,366,836,329
4. Cost of goods sold	11		6,251,544,417	4,073,770,228
5. Gross profit from sales of merchandise and services (20 = 10 - 11)	20		55,143,850,853	31,293,066,101
6. Financial income	21	16	8,585,741,443	7,374,202,347
7. Financial expenses	22	17	5,302,606,462	4,642,038,850
- Including: Interest expense	23		-	66,802,197
8. Selling expenses	24		15,360,967,979	11,767,225,531
9. General and administration expenses	25		9,734,411,281	8,694,755,966
10. Operating profit {30 = 20 + (21 - 22) - (24 + 25)}	30		33,331,606,574	13,563,248,101
11. Other income	31		134,262,174	193,795,845
12. Other expenses	32		351	999,032,702
13. Other profit (loss) (40 = 31 - 32)	40	18	134,261,823	(805,236,857)
14. Net profit before tax (50 = 30 + 40)	50		33,465,868,397	12,758,011,244
15. Corporate income tax	51	19	5,846,092,417	-
16. Deferred tax income/(expense)	52		-	-
17. Net profit after tax (60 = 50 - 51 - 52)	60		27,619,775,980	12,758,011,244







Goh Kwey Biau
 General Director
 Lao Cai, 26 April 2010

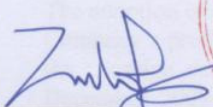
Tran Quoc Hung
 Deputy General Director

Nguyen Thi Tuyet
 Chief Accountant

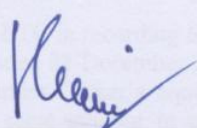
CASH FLOW STATEMENT
For the year ended 31 December 2009

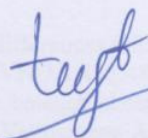
FORM B 03-DN
Unit: VND

ITEMS	Codes	Notes	2009	2008
I. Cash flows from operating activities				
1. Profit before tax	01		33,465,868,397	12,758,011,244
2. Adjustments for:				
- Depreciation and amortisation	02		6,554,112,997	3,719,200,314
- Provisions	03		655,000,000	390,000,000
- Unrealized foreign exchange difference	04		(1,425,488,704)	(11,232,615)
- Interest expense	06		-	66,802,197
3. Operating profit before movements in working capital	08		39,249,492,690	16,922,781,140
- (Increase) decrease in receivables	09		186,202,132	1,752,798,571
- (Increase) decrease in inventories	10		768,165,775	(180,632,948)
- Increase (decrease) in accounts payable (not including accrued interest and business income tax payable)	11		29,960,993,880	2,893,070,451
- (Increase) decrease in prepaid expenses	12		105,619,253	(226,835,695)
- Interest paid	13		-	(45,170,247)
- Other cash inflows	15		23,444,672	-
- Other cash outflows	16		(3,444,672)	-
Net cash from (used in) operating activities	20		70,290,473,730	21,116,011,272
II. Cash flows from investing activities				
1. Acquisition of fixed assets and other long-term assets	21		(1,582,698,481)	(66,673,740)
2. Proceeds from sales of fixed assets and other long-term assets	22		9,198,800	60,998,947
Net cash from (used in) investing activities	30		(1,573,499,681)	(5,674,793)
III. Cash flows from financing activities				
1. Proceeds from issuing stocks, receiving capital from owners	31		890,325,622	-
4. Repayments of borrowings	34		(14,188,466,480)	(1,729,623,548)
Net cash from (used in) financing activities	40		(13,298,140,858)	(1,729,623,548)
Net increase (decrease) in cash and cash equivalents (50 = 20+30+40)	50		55,418,833,191	19,380,712,931
Cash and cash equivalents at beginning of year	60		38,374,458,296	18,993,745,365
Cash and cash equivalents at end of year (70 = 50+60)	70		93,793,291,487	38,374,458,296


Goh Kwey Biau
General Director
Lao Cai, 26 April 2010




Tran Quoc Hung
Deputy General Director


Nguyen Thi Tuyet
Chief Accountant

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09 - DN

These Notes are an integral part of and should be read in conjunction with the Financial Statements

1. GENERAL INFORMATION

1.1 Structure of ownership

Lao Cai International Hotel Joint Venture Company was incorporated in Vietnam, as a joint venture for 30 years under Investment License No. 2268/GP dated 19 July 2002 issued by the Ministry of Planning and Investment. The third amended license was issued on 27 February 2009.

The number of employees as at 31 December 2009 was 242 employees (2008: 221 employees).

1.2 Operating industry and principal activities

The principal activities of the Company are to operate a 4-star hotel and provide international recreational services including bonus entertainment activities for foreign customers.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

2.1 Accounting convention

The accompanying Financial Statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam.

The accompanying Financial Statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

2.2 Accounting period

The Company's fiscal year begins on 01 January and ends on 31 December.

2.3 Adoption of new accounting standards and guidance

According to the Circular No. 201/2009/TT-BTC dated 15 October 2009 issued by the Ministry of Finance, the recognition of foreign exchange differences arising from revaluation of monetary items at the balance sheet date differs from that as regulated with Vietnamese Accounting Standard No. 10 - Effects of changes in foreign exchange rates, in details:

- Foreign exchange differences arising from revaluation of monetary items, short-term receivables and payables denominated in foreign currencies at the balance sheet date are not recorded in the income statement for the reporting period but are recorded in the balance sheet under the account "foreign exchange reserve" in the owner's equity section.
- Foreign exchange differences arising from revaluation of long-term receivables and payables are recorded in the income statement for the reporting period. In case the Company makes a loss, it may allocate part of foreign exchange losses within 5 subsequent years after deducting the foreign exchange difference incurred during the reporting period corresponding to the current portion of long-term loans.

The adoption of Circular No. 201/2009/TT-BTC in recording foreign exchange differences will make the Company's profit before tax for the year ended 31 December 2009 increase by VND 1,425,488,704 and the "Foreign exchange reserve" account under Owner's equity section in the balance sheet as at 31 December 2009 increase/decrease by the same amount in comparison with Vietnamese Accounting Standard No. 10 adoption. The Board of Directors has decided to recognise foreign exchange differences as guided in Circular No. 201/2009/TT-BTC and believes that that application and disclosure of differences at the same time, in the case where the Company would apply Vietnamese Accounting Standard, may provide more information to users of financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B 09 - DN

These Notes are an integral part of and should be read in conjunction with the Financial Statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these Financial Statements, are as follows:

3.1 Estimates

The preparation of Financial Statements in conformity with Vietnamese Accounting Standards requires the Management to make estimates and assumptions that affect the reported amounts of assets liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the fiscal year. Actual results could differ from those estimates.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.3 Receivables and provision for doubtful debts

Provision for doubtful debts is made in accordance with current prevailing accounting regulations which allow provision for doubtful debts for receivables that are overdue for six months or more, or when the debtor is in dissolution, bankruptcy, or in similar difficulties.

3.4 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labors costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value presents the estimated selling price minus all estimated costs to complete together with cost may be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations, which allow provisions to be made for obsolete, damaged, or sub-standard inventories whose book value is higher than net realizable value as at the balance sheet date.

3.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

The costs of tangible fixed assets constructed by contractors are the finally accounted cost of the work, directly related expenses and registration fee, if any.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful life as follows:

	<u>Years</u>
Buildings and-structures	30
Machinery and equipment	5 - 10
Office furniture and equipments	3 - 5
Motor vehicles	6

NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B 09 - DN

*These Notes are an integral part of and should be read in conjunction with the Financial Statements***3.6 Intangible fixed assets and amortization*****Land use rights and accounting software***

Intangible fixed assets represent land use rights and accounting software that are stated at cost less accumulated amortization. The Company's land use right pertains to land located at No. 88 Thuy Hoa Street, Duyen Hai Precinct, Lao Cai City, Lao Cai Province for 30 years. Land use right is amortized using the straight-line method over the period from commencement of operations to the termination date of the right to use the land. Accounting software is amortized using the straight-line method over three years.

3.7 Long-term prepayments

Long-term prepayments comprise small tools, spare parts which are considered to provide future economic benefits to the Company for more than one year. These expenditures have been capitalized as long-term prepayments, and are allocated to income statement using the straight-line method over the period of three years, except for casino chips which are allocated to the income statement using the straight-line method over the period of five years.

3.8 Revenue recognition

Revenue at the playing table is recognized upon differences between chips at the closing and chips at the opening in each playing table plus (+) chips transferred from the playing table to cage minus (-) chips transferred from the cage to the playing table.

Revenue from business activities by slot machines represents the amount received over the exchange counter less the amount returned to customers.

Revenue from other activities is recorded when the outcome of such transaction can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

3.9 Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. Foreign exchange differences arising from these transactions are recognized in the income statement.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date as follows:

- Foreign exchange differences arising from revaluation of monetary items, short-term receivables and payables denominated in foreign currencies at the balance sheet date are recorded in the balance sheet under the account "foreign exchange reserve" in the Owner's equity section.
- Foreign exchange differences arising from revaluation of long-term receivables and payables are recorded in the income statement for the reporting period.

3.10 Borrowings cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

To the extent that funds are borrowed specifically for the purpose of acquiring, constructing or producing a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset should be determined as the actual borrowing costs incurred on that borrowing during the period less (-) any investment income on the temporary investment of those borrowings.

All other borrowing costs are recognized in the income statement when incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B 09 - DN

These Notes are an integral part of and should be read in conjunction with the Financial Statements

3.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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. It is calculated using the rate of 25% that has been enacted by the balance sheet date. No deferred tax asset has been recognized for temporary differences due to the uncertainty of their future realization.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and its ultimate determination depends on the results of tax authorities' examination.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH AND CASH EQUIVALENTS

	31/12/2009 VND	31/12/2008 VND
Cash on hand	65,478,416,218	26,094,364,026
Cash in bank	21,169,389,950	8,682,214,270
Cash in transit	7,145,485,319	3,597,880,000
Total	93,793,291,487	38,374,458,296

5. INVENTORY

	31/12/2009 VND	31/12/2008 VND
Raw materials	174,564,887	137,898,950
Tools and supplies	468,661,670	1,431,590,225
Merchandise inventory	299,719,115	141,622,272
Total	942,945,672	1,711,111,447

6. OTHER SHORT - TERM ASSETS

	31/12/2009 VND	31/12/2008 VND
Short-term deposits	45,000,000	65,000,000
Advances	399,353,940	119,396,100
Total	444,353,940	184,396,100

LAO CAI INTERNATIONAL HOTEL JOINT VENTURE COMPANY

88 Thuy Hoa Street, Duyen Hai Precinct
Lao Cai City, Lao Cai Province

Financial Statements

For the year ended 31 December 2009

NOTES TO THE FINANCIAL STATEMENTS (continued)

FORM B 09 - DN

These Notes are an integral part of and should be read in conjunction with the Financial Statements

7. TANGIBLE FIXED ASSETS

	Building, structures VND	Machinery, equipments VND	Motor vehicles VND	Office equipments VND	Total VND
COST					
As at 31/12/2008	23,391,699,197	25,151,240,570	733,523,810	877,565,672	50,154,029,249
Addition	-	378,799,037	747,026,962	446,781,573	1,572,607,572
Purchase	-	378,799,037	731,506,962	446,781,573	1,557,087,572
Completed construction	-	-	15,520,000	-	15,520,000
Decrease	-	29,956,068	-	103,439,036	133,395,104
Disposal	-	29,956,068	-	103,439,036	133,395,104
As at 31/12/2009	<u>23,391,699,197</u>	<u>25,500,083,539</u>	<u>1,480,550,772</u>	<u>1,220,908,209</u>	<u>51,593,241,717</u>
ACCUMULATED DEPRECIATION					
As at 31/12/2008	4,722,995,985	15,578,520,716	713,148,170	874,640,672	21,889,305,543
Addition	982,563,327	5,432,685,070	30,751,014	68,335,106	6,514,334,517
Charge for the year	982,563,327	5,432,685,070	30,751,014	68,335,106	6,514,334,517
Decrease	-	40,588,968	-	103,439,036	144,028,004
Disposal	-	40,588,968	-	103,439,036	144,028,004
As at 31/12/2009	<u>5,705,559,312</u>	<u>20,970,616,818</u>	<u>743,899,184</u>	<u>839,536,742</u>	<u>28,259,612,056</u>
NET BOOK VALUE					
As at 31/12/2008	<u>18,668,703,212</u>	<u>9,572,719,854</u>	<u>20,375,640</u>	<u>2,925,000</u>	<u>28,264,723,706</u>
As at 31/12/2009	<u>17,686,139,885</u>	<u>4,529,466,721</u>	<u>736,651,588</u>	<u>381,371,467</u>	<u>23,333,629,661</u>

Cost of tangible fixed asset which were fully depreciated but still in used is VND 3,968,267,523 (2008: VND 2,864,985,157).

8. INTANGIBLE FIXED ASSETS

	Land use rights VND	Accounting software VND	Total VND
COST			
As at 31/12/2008	1,111,271,562	28,549,000	1,139,820,562
Addition	-	10,090,909	10,090,909
Purchase	-	10,090,909	10,090,909
Decrease	-	-	-
As at 31/12/2009	<u>1,111,271,562</u>	<u>38,639,909</u>	<u>1,149,911,471</u>
ACCUMULATED AMOTISATION			
As at 31/12/2008	231,514,882	28,549,000	260,063,882
Addition	37,042,380	840,910	37,883,290
Charge for the year	37,042,380	840,910	37,883,290
Decrease	-	-	-
As at 31/12/2009	<u>268,557,262</u>	<u>29,389,910</u>	<u>297,947,172</u>
NET BOOK VALUE			
As at 31/12/2008	<u>879,756,680</u>	<u>-</u>	<u>879,756,680</u>
As at 31/12/2009	<u>842,714,300</u>	<u>9,249,999</u>	<u>851,964,299</u>

Cost of intangible fixed asset which were fully amortised but still in used is VND 28,549,000 (2008: VND 28,549,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

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These Notes are an integral part of and should be read in conjunction with the Financial Statements

9. LONG - TERM PREPAYMENTS

	2009 VND	2008 VND
As at 01/01	1,112,334,992	1,339,170,687
Proceeds in the period	1,778,796,413	1,294,600,204
Allocated for expenses	(1,676,068,071)	(1,520,835,899)
Other disposals	(208,347,595)	(600,000)
As at 31/12	<u>1,006,715,739</u>	<u>1,112,334,992</u>

10. SHORT - TERM LOANS

	31/12/2009 VND	31/12/2008 VND
Current portion of long-term loans	25,044,042,570	1,063,863,705
Total	<u>25,044,042,570</u>	<u>1,063,863,705</u>

11. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	31/12/2009 VND	31/12/2008 VND
Value Added Tax	3,610,312,120	812,221,553
Special Consumption Tax	8,324,643,530	1,262,237,672
Personal Income Tax	37,561,532	23,417,424
Foreign Withholding Tax	182,253,867	185,456,985
Corporate income tax	5,846,092,417	-
Total	<u>18,000,863,466</u>	<u>2,283,333,634</u>

12. OTHER PAYABLES

	31/12/2009 VND	31/12/2008 VND
Trade union fees	7,564,580	1,665,000
Social insurance, health insurance	13,028,000	2,439,900
Short-term deposits	89,848,620	80,778,200
Floating chips (*)	16,779,736,168	3,697,888,484
Other current payables	188,820,091	348,427,763
Total	<u>17,078,997,459</u>	<u>4,131,199,347</u>

(*) Number of floating chips is determined by the difference between the number of chips registered with State Authorities and the actual chips counted in Casino as at 31 December 2009.

LAO CAI INTERNATIONAL HOTEL JOINT VENTURE COMPANY

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13. LONG - TERM LOANS

	31/12/2009 VND	31/12/2008 VND
Long-term loans (*)	34,598,812,215	44,987,878,587
Deduct: Current portion of long-term loans	25,044,042,570	1,063,863,705
Total	9,554,769,645	43,924,014,882

(*) The long-term loans represent the loan from Donaco Singapore Private Limited with the amount of USD 2,664,931 and bears interest at 4% p.a. The principal repaid shall be determined annually based on the Amendments. The purpose of this loan is to fund the working capital and it is not secured.

14. OWNER'S EQUITY

Change in owner's equity

	Legal capital VND	Retained earnings VND
As at 31/12/2007	26,769,385,514	(20,939,986,903)
Addition	-	12,758,011,244
Profit for the year	-	12,758,011,244
Decreases	-	-
As at 31/12/2008	26,769,385,514	(8,181,975,659)
As at 31/12/2008	26,769,385,514	(8,181,975,659)
Addition	890,325,622	27,619,775,980
Profit for the year	-	27,619,775,980
Contribution	890,325,622	-
Decreases	-	-
As at 31/12/2009	27,659,711,136	19,437,800,321

Charter and Investment capital

According to the Company's amended Investment License, the Company's total investment and Charter capital are USD 5,700,000 and USD 1,800,000 respectively. The Charter capital contributions by the shareholders as at 31 December 2009 were as follows:

	Per Investment License		Contributed Capital as at 31/12/2009	
	USD	%	USD	VND
Donaco Singapore PTE LTD	1,350,000	75	1,350,000	20,655,150,000
Sapa Petroleum Tourism Company	450,000	25	450,000	7,004,561,136
Total	1,800,000	100	1,800,000	27,659,711,136

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88 Thuy Hoa Street, Duyen Hai Precinct
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Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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These Notes are an integral part of and should be read in conjunction with the Financial Statements

15. NET SALES OF MERCHANDISE AND SERVICES

	2009 VND	2008 VND
Gross sales of merchandise and services	77,078,830,428	42,221,090,457
Revenue from Restaurant and Hotel	7,920,210,837	7,988,043,458
Revenue from Casino	69,158,619,591	34,233,046,999
Deductions	15,683,435,158	6,854,254,128
Special Consumption Tax	15,683,435,158	6,854,254,128
Net sales of merchandise and services	61,395,395,270	35,366,836,329

16. FINANCIAL INCOME

	2009 VND	2008 VND
Bank deposit interest	205,080,990	51,491,735
Foreign exchange gains	8,296,164,188	7,322,710,612
Other financial income	84,496,265	-
Total	8,585,741,443	7,374,202,347

17. FINANCIAL EXPENSES

	2009 VND	2008 VND
Interest expenses	-	66,802,197
Foreign exchange loss	5,302,606,462	4,575,236,653
Total	5,302,606,462	4,642,038,850

18. OTHER PROFIT (LOSS)

	2009 VND	2008 VND
Other income	134,262,174	193,795,845
Reward, compensations	123,563,374	82,802,282
Disposal	9,198,800	103,652,561
Others	1,500,000	7,341,002
Other expenses	351	999,032,702
Disposal	-	60,998,947
Import tax of 35 slot machines	-	819,271,912
VAT of 35 slot machines	-	118,761,843
Other expenses	351	-
Other profit (loss)	134,261,823	(805,236,857)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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These Notes are an integral part of and should be read in conjunction with the Financial Statements

19. CORPORATE INCOME TAX

	2009 VND
Net profit before tax	33,465,868,397
Adjustments for:	
Loss carried forward	59,626,022
Assessable income	33,406,242,375
Tax rate	25%
CIT reduction according to Circular No. 03/2009/TT-BTC	2,505,468,178
Corporate income tax	<u>5,846,092,417</u>

20. RELATED PARTY BALANCES

	31/12/2009 VND	31/12/2008 VND
Loans from Donaco Singapore PTE LTD.	34,598,812,215	44,987,878,587
Payables to Sapa Petroleum Tourism Company	181,166,000	181,166,000

21. SUBSEQUENT EVENTS

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

22. COMPARATIVE FIGURES

Financial Statements for the year ended 31 December 2008 have been audited by Audit and Financial Consulting Company & Associates - *Member of Kreston International*.

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