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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 2010

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 ■

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF BOARD OF DIRECTORS	1
AUDITORS' REPORT	2
BALANCE SHEET	3 - 4
INCOME STATEMENT	5
CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 15



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 2010.

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 (resigned on 15 July 2010)
Mr. Nguyen Viet Ha	Member (appointed on 15 July 2010)

Board of Directors

Mr. Goh Kwey Biaw	General Director (resigned on 01 August 2010)
Mr. Tan Iam Howi	General Director (appointed on 01 August 2010)
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

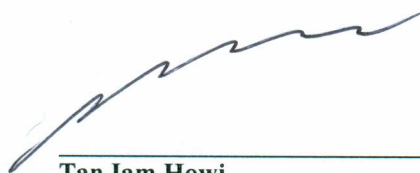
The Board of Directors of the Company is responsible for preparing the Financial Statements from pages 3 to 15, which give a true and fair view of the financial position of the Company and of its results and cash flows for the year. In preparing these Financial Statements, the Board of Directors is required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



Tan Iam Howi
General Director
Lao Cai, 26 February 2011



Tran Quoc Hung
Deputy General Director

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No. 40.4/BCKT 2011/ACA

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 2010, 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. 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 2010 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.



Tran Van Thuc
General Director
CPA Certificate No. 0554/KTV
For and on behalf of
AUDIT AND FINANCIAL CONSULTING COMPANY
Member of *Kreston International*
Hanoi, 26 February 2011



Nguyen Hoang Dung
Auditor
CPA Certificate No. 1106/KTV

BALANCE SHEET
As at 31 December 2010

FORM B 01-DN
 Unit: VND

ASSETS	Codes	Notes	31/12/2010	31/12/2009
A. CURRENT ASSETS (100=110+120+130+140+150)	100		125,501,940,231	95,695,958,129
I. Cash and cash equivalents	110	4	118,510,899,445	93,793,291,487
1. Cash	111		70,698,809,773	93,793,291,487
2. Cash equivalents	112		47,812,089,672	-
II. Short-term financial investments	120		2,347,400,000	-
1. Short-term investments	121	5	2,347,400,000	-
III. Short-term receivables	130		1,995,451,363	515,367,030
1. Trade accounts receivable	131		1,754,960	3,010,000
2. Advances to suppliers	132		1,639,034,059	493,232,550
3. Other receivables	135		354,662,344	19,124,480
IV. Inventories	140	6	2,245,295,736	942,945,672
1. Inventories	141		2,245,295,736	942,945,672
V. Other short-term assets	150		402,893,687	444,353,940
3. Other short-term assets	158		402,893,687	444,353,940
B. NON-CURRENT ASSETS (200 = 220+260)	200		26,874,378,727	25,215,966,938
I. Fixed assets	220		26,045,031,706	24,209,251,199
1. Tangible fixed assets	221	7	18,778,663,022	23,333,629,661
- Cost	222		52,219,332,155	51,593,241,717
- Accumulated depreciation	223		(33,440,669,133)	(28,259,612,056)
2. Intangible fixed assets	227	8	1,008,276,459	851,964,299
- Cost	228		1,373,111,471	1,149,911,471
- Accumulated amortisation	229		(364,835,012)	(297,947,172)
3. Construction in progress	230	9	6,258,092,225	23,657,239
II. Other non-current assets	260		829,347,021	1,006,715,739
1. Long-term prepayments	261	10	829,347,021	1,006,715,739
TOTAL ASSETS (270 = 100 + 200)	270		152,376,318,958	120,911,925,067

BALANCE SHEET (continued)
As at 31 December 2010

FORM B 01-DN
Unit: VND


RESOURCES	Codes	Notes	31/12/2010	31/12/2009
A. LIABILITIES (300=310+330)	300		77,814,545,523	72,388,924,906
I. Current liabilities	310		77,494,543,783	62,538,730,261
1. Short-term loans	311	11	23,830,673,932	25,044,042,570
2. Trade accounts payable	312		764,751,393	583,968,723
3. Advance from customers	313		1,871,520	-
4. Taxes and amounts payable to the State budget	314	12	26,420,843,918	18,000,863,466
5. Payables to employees	315		656,189,911	1,175,858,043
6. Accrued expenses	316		1,242,114,862	655,000,000
7. Other current payables	319	13	24,578,098,247	17,078,997,459
II. Long-term liabilities	330		320,001,740	9,850,194,645
2. Long-term loans and liabilities	334	14	-	9,554,769,645
4. Provision for severance allowance	336		320,001,740	295,425,000
B. EQUITY (400=410)			74,561,773,435	48,523,000,161
I. Owners' equity	410		74,561,773,435	48,523,000,161
1. Legal capital	411	15	27,659,711,136	27,659,711,136
2. Foreign exchange rate difference	416		(896,306,352)	1,425,488,704
3. Retained earnings	420	15	47,798,368,651	19,437,800,321
TOTAL RESOURCES (440 = 300+ 400)	440		152,376,318,958	120,911,925,067

OFF-BALANCE SHEET ITEMS

ITEMS	31/12/2010	31/12/2009
5. Foreign currencies		
+ USD	2,024,521	298,990
+ CNY (RMB)	21,898,269	22,714,084
+ EUR	4,455	3,965
+ SGD	8,535	8,535
+ HKD	43,100	35,100


Tan Lam Howi
General Director
Lao Cai, 26 February 2011




Tran Quoc Hung
Deputy General Director


Nguyen Thi Tuyet
Chief Accountant

INCOME STATEMENT
 For the year ended 31 December 2010

FORM B 02-DN
 Unit: VND

ITEMS	Codes	Notes	Year 2010	Year 2009
1. Gross sales of merchandise	01	16	88,758,788,836	77,078,830,428
2. Less deductions	02	16	18,924,066,840	15,683,435,158
3. Net sales of merchandise (10=01-02)	10	16	69,834,721,996	61,395,395,270
4. Cost of goods sold	11		5,259,885,451	6,251,544,417
5. Gross profit from sales of merchandise	20		64,574,836,545	55,143,850,853
6. Financial income	21	17	10,297,933,577	8,585,741,443
7. Financial expenses - Including: Interest expenses	22	18	4,352,468,182 928,235,700	5,302,606,462 -
8. Selling expenses	24		18,414,092,641	15,360,967,979
9. General and administration expenses	25		14,154,579,369	9,734,411,281
10. Operating profit (30 = 20+(21-22)-(24+25))	30		37,951,629,930	33,331,606,574
11. Other income	31		434,789,977	134,262,174
12. Other expenses	32		432,993,193	351
13. Profit/(Loss) from other activities (40=31-32)	40		1,796,784	134,261,823
14. Accounting profit before tax (50=30+40)	50		37,953,426,714	33,465,868,397
15. Current income tax expense	51	19	9,592,858,384	5,846,092,417
16. Deferred tax income	52		-	-
17. Net profit after tax (60=50-51-52)	60		28,360,568,330	27,619,775,980

Tan Iam Howi
 General Director
 Lao Cai, 26 February 2011



Tran Quoc Hung
 Deputy General Director

Nguyen Thi Tuyet
 Chief Accountant

CASH FLOW STATEMENT
For the year ended 31 December 2010

FORM B 03-DN
Unit: VND

ITEMS	Codes	Year 2010	Year 2009
I. CASH FLOWS FROM OPERATING ACTIVITIES			
<i>1. Profit before tax</i>	01	37,953,426,714	33,465,868,397
<i>2. Adjustments for:</i>			
Depreciation and amortisation	02	5,670,526,822	6,554,112,997
Provision	03	24,576,740	655,000,000
Unrealised foreign exchange difference	04	-	(1,425,488,704)
Income from disposal of fixed assets	05	(180,000,000)	-
Income from investments	06	(1,203,775,339)	-
Interest expense	07	928,235,700	-
<i>3. Operating profit before movements in working capital</i>	08	43,192,990,637	39,249,492,690
(Increase)/ Decrease in receivables	09	(1,480,084,333)	186,202,132
(Increase)/ Decrease in inventories	10	(1,302,350,064)	768,165,775
Increase/(Decrease) in accounts payable (not including accrued interest and business income tax payable)	11	645,235,012	29,960,993,880
(Increase)/ Decrease in prepaid expenses and others	12	218,828,971	105,619,253
Corporate income tax paid	14	(1,563,055,951)	-
Income from other activities	15	-	23,444,672
Payment for other activities	16	-	(3,444,672)
<i>Net cash flow from operating activities</i>	20	39,711,564,272	70,290,473,730
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets and other long-term assets	21	(2,659,715,329)	(1,582,698,481)
2. Proceeds/(Loss) from disposal of fixed assets and other long-term assets	22	180,000,000	9,198,800
3. Cash outflow for lending and buying debt instruments of other companies	23	(2,347,400,000)	-
4. Interest, dividend received	27	1,203,775,339	-
<i>Net cash flow from investing activities</i>	30	(3,623,339,990)	(1,573,499,681)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from issuing stocks, receiving capital from owners	31	-	890,325,622
3. Repayment of borrowings	34	(11,040,000,000)	(14,188,466,480)
<i>Net cash flow from financing activities</i>	40	(11,040,000,000)	(13,298,140,858)
Net (decrease)/increase in cash and cash equivalents	50	25,048,224,282	55,418,833,191
Cash and cash equivalents at beginning of year	60	93,793,291,487	38,374,458,296
Unrealised foreign exchange difference of cash	61	(330,616,324)	-
Cash and cash equivalents at the end of the year	70	118,510,899,445	93,793,291,487

Tan Iam Howi
General Director
Lao Cai, 26 February 2011



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 2010 was 261 employees (2009: 242 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.

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.

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

3.4 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	25
Machinery and equipment	5 - 10
Office furniture and equipments	3 - 5
Motor vehicles	6

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.

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

3.9 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.

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.

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

4. CASH AND CASH EQUIVALENTS

	31/12/2010 VND	31/12/2009 VND
Cash on hand	51,678,401,904	65,478,416,218
Cash in bank	6,723,950,691	21,169,389,950
Cash in transit	12,296,457,178	7,145,485,319
Cash equivalent (*)	47,812,089,672	-
Total	<u>118,510,899,445</u>	<u>93,793,291,487</u>

(*) The cash equivalents are deposits at the ANZ Bank Hanoi, the Bank for Investment and Development of Vietnam - Lao Cai Branch, the Industrial and Commercial Bank - Lao Cai Branch and the Development Bank of the Delta Mekong - Lao Cai Branch with terms of less than 03 months with interest from 11% -14% per annum.

5. SHORT-TERM INVESTEMENT

	31/12/2010 VND	31/12/2009 VND
Short-term deposits at bank	2,347,400,000	-
	<u>2,347,400,000</u>	<u>-</u>

Short-term investments are bank deposits in the Bank for Investment and Development of Vietnam – Lao Cai Branch and the Development Bank of the Mekong Delta - Lao Cai Branch with terms greater than 03 months of which interest rates about 11% per annum.

6. INVENTORY

	31/12/2010 VND	31/12/2009 VND
Raw materials	340,020,042	174,564,887
Tools and supplies	1,221,333,421	468,661,670
Merchandise inventory	683,942,273	299,719,115
	<u>2,245,295,736</u>	<u>942,945,672</u>
Provision for devaluation in inventories	-	-
Net realisable value	<u>2,245,295,736</u>	<u>942,945,672</u>

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	Others VND	Total VND
COST						
As at 31/12/2009	23,391,699,197	25,500,083,539	1,480,550,772	1,220,908,209	-	51,593,241,717
Addition	-	55,454,545	567,641,000	146,157,318	279,419,480	1,048,672,343
Purchase	-	55,454,545	567,641,000	146,157,318	279,419,480	1,048,672,343
Decrease	-	-	(366,761,905)	(55,820,000)	-	(422,581,905)
Disposal	-	-	(366,761,905)	(55,820,000)	-	(422,581,905)
As at 31/12/2010	<u>23,391,699,197</u>	<u>25,555,538,084</u>	<u>1,681,429,867</u>	<u>1,311,245,527</u>	<u>279,419,480</u>	<u>52,219,332,155</u>
ACCUMULATED DEPRECIATION						
As at 31/12/2009	5,705,559,312	20,970,616,818	743,899,184	839,536,742	-	28,259,612,056
Addition	982,563,327	4,309,099,177	132,388,391	148,125,053	31,463,034	5,603,638,982
Charge for the year	982,563,327	4,309,099,177	132,388,391	148,125,053	31,463,034	5,603,638,982
Decrease	-	-	(366,761,905)	(55,820,000)	-	(422,581,905)
Disposal	-	-	(366,761,905)	(55,820,000)	-	(422,581,905)
As at 31/12/2010	<u>6,688,122,639</u>	<u>25,279,715,995</u>	<u>509,525,670</u>	<u>931,841,795</u>	<u>31,463,034</u>	<u>33,440,669,133</u>
NET BOOK VALUE						
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>-</u>	<u>23,333,629,661</u>
As at 31/12/2010	<u>16,703,576,558</u>	<u>275,822,089</u>	<u>1,171,904,197</u>	<u>379,403,732</u>	<u>247,956,446</u>	<u>18,778,663,022</u>

8. INTANGIBLE FIXED ASSETS

	Land use rights VND	Other VND	Total VND
COST			
As at 31/12/2009	1,111,271,562	38,639,909	1,149,911,471
Addition	-	223,200,000	223,200,000
Purchase	-	223,200,000	223,200,000
Decrease	-	-	-
As at 31/12/2010	<u>1,111,271,562</u>	<u>261,839,909</u>	<u>1,373,111,471</u>
ACCUMULATED AMOTISATION			
As at 31/12/2009	268,557,262	29,389,910	297,947,172
Addition	37,042,380	29,845,460	66,887,840
Charge for the year	37,042,380	29,845,460	66,887,840
Decrease	-	-	-
As at 31/12/2010	<u>305,599,642</u>	<u>59,235,370</u>	<u>364,835,012</u>
NET BOOK VALUE			
As at 31/12/2009	<u>842,714,300</u>	<u>9,249,999</u>	<u>851,964,299</u>
As at 31/12/2010	<u>805,671,920</u>	<u>202,604,539</u>	<u>1,008,276,459</u>

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

9. CONSTRUCTION IN PROCESS

	31/12/2010	31/12/2009
	VND	VND
Purchase FA	-	23,657,239
Four star Hotel project at Laocai City	6,258,092,225	-
Total	6,258,092,225	23,657,239

10. LONG - TERM PREPAYMENTS

	Year 2010	Year 2009
	VND	VND
As at 01/01	1,006,715,739	1,112,334,992
Proceeds in the period	1,025,088,886	1,778,796,413
Allocated for expenses	(1,184,577,065)	(1,676,068,071)
Other disposals	(17,880,539)	(208,347,595)
As at 31/12	829,347,021	1,006,715,739

11. SHORT - TERM LOANS

	31/12/2010	31/12/2009
	VND	VND
Current portion of long-term loans (see Note 14)	23,830,673,932	25,044,042,570
Total	23,830,673,932	25,044,042,570

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	31/12/2010	31/12/2009
	VND	VND
Value Added Tax	3,095,875,083	3,610,312,120
Special Consumption Tax	9,029,725,838	8,324,643,530
Corporate Income Tax	14,260,324,517	5,846,092,417
Personal Income Tax	34,918,480	37,561,532
Other taxes	-	182,253,867
Total	26,420,843,918	18,000,863,466

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

13. OTHER CURRENT PAYABLES

	31/12/2010 VND	31/12/2009 VND
Trade union fees	8,297,400	7,564,580
Social insurance, health insurance	-	13,028,000
Short- term deposits	143,108,620	89,848,620
Floating chips (*)	18,785,456,136	16,779,736,168
Transfer of project implementation (**)	5,452,416,000	-
Other current payables	188,820,091	188,820,091
Total	24,578,098,247	17,078,997,459

(*) 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 2010.

(**) It represents the payable to Petro Vietnam Sapa Tourism Company under contract of transferring of 04 stars hotel project in 4.7 hectares of land next to fall 6, Kim Tan Ward, Lao Cai city.

14. LONG - TERM LOANS AND LIABILITIES

	31/12/2010 VND	31/12/2009 VND
Long-term loans (*)	23,830,673,932	34,598,812,215
Deduct: Current portion of long-term loans	23,830,673,932	25,044,042,570
Total	-	9,554,769,645

(*) 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.

15. OWNER'S EQUITY

Change in owner's equity

	Legal Capital VND	Retained Earnings VND
Balance at 01/01/2009	26,769,385,514	(8,181,975,659)
Contribution	890,325,622	-
Profit for the year 2009	-	27,619,775,980
Dividend declared	-	-
Balance at 31/12/2009	27,659,711,136	19,437,800,321
Profit for the year 2010	-	28,360,568,330
Dividend declared	-	-
Balance at 31/12/2010	27,659,711,136	47,798,368,651

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

15. OWNER'S EQUITY (continued)

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 2010 were as follows:

	Per Investment License		Contributed Capital as at 31/12/2010	
	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

16. NET SALES OF MERCHANDISE AND SERVICES

	Year 2010 VND	Year 2009 VND
Gross sales of merchandise and services	88,758,788,836	77,078,830,428
Revenue from Restaurant and Hotel	6,926,307,636	7,920,210,837
Revenue from Casino	81,832,481,200	69,158,619,591
Deductions	18,924,066,840	15,683,435,158
Special Consumption Tax	18,924,066,840	15,683,435,158
Net sales of merchandise and services	69,834,721,996	61,395,395,270

17. FINANCIAL INCOME

	Year 2010 VND	Year 2009 VND
Bank deposit interest	1,203,775,339	205,080,990
Foreign exchange gains	9,041,709,861	8,296,164,188
Other financial income	52,448,377	84,496,265
Total	10,297,933,577	8,585,741,443

18. FINANCIAL EXPENSES

	Year 2010 VND	Year 2009 VND
Interest expenses	928,235,700	-
Foreign exchange loss	3,424,232,482	5,302,606,462
Total	4,352,468,182	5,302,606,462

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

19. CORPORATE INCOME TAX EXPENSE

	Year 2010 VND	Year 2009 VND
Net profit before tax	37,953,426,714	33,465,868,397
Adjustments for taxable income		
Less: Loss carried forward	-	59,626,022
Add back: non-deductible expenses	418,006,821	-
Assessable income	38,371,433,535	33,406,242,375
Tax rate	25%	25%
CIT reduction according to Circular No. 03/2009/TT-BTC	-	2,505,468,178
Corporate income tax	<u>9,592,858,384</u>	<u>5,846,092,417</u>

20. RELATED PARTY BALANCES AND TRANSACTIONS

Balances

	31/12/2010 VND	31/12/2009 VND
Loan from Donaco Singapore	23,830,673,932	34,598,812,215
Payable to Petro Vietnam Sapa Tourism company	5,636,906,378	181,166,000

Transactions

	Year 2010 VND	Year 2009 VND
Petro Vietnam Sapa Tourism company		
Transfer of project	6,664,064,000	-

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 2009 have been audited by Audit and Financial Consulting Company & Associates - *Member of Kreston International*.