



**BAKER TILLY  
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN  
AUDITING AND CONSULTING CO., LTD.**



**FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2011**

**AMATA (VIETNAM)  
JOINT STOCK COMPANY**



an independent member of  
**BAKER TILLY  
INTERNATIONAL**

# **Amata (Vietnam) Joint Stock Company**

**Financial Statements as at 31 December 2011**

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# Amata (Vietnam) Joint Stock Company

## Board of Directors' Report As at 31 December 2011

The Board of Directors submits this report together with the audited financial statements as at and for the year ended 31 December 2011.

### 1. ORGANISATION

Amata (Vietnam) Joint Stock Company has been operating in accordance with the first investment certificate No. 472022000132 dated 31 December 1994 and the first amended investment certificate dated 07 May 2007 granted by Dong Nai Industrial Zones Authority. This investment certificate replaces the investment license No. 1100/GP dated 31 December 1994 and the amended licenses No. 1100/GPĐC dated 28 April 1998, No. 1100/GPĐC2 dated 14 February 2001 and No. 1100/GPĐC2 dated 02 October 2002 granted by the former State Committee for Co-operation and Investment (now called the Ministry of Planning and Investment).

The operation period of the company is 50 years, starting from 31 December 1994.

During its operation course, the company has been granted the following licenses:

- The second amended investment certificate dated 05 February 2008 approving the expansion of the area of industrial park.
- The third amended investment certificate dated 29 April 2009 approving the company's transformation into a joint stock company.
- On 21 August 2008, the company has been additionally granted the investment certificate No. 47122000050 by the People's Committee of Dong Nai Province approving the investment into the construction of a complex for trading and service centers and houses for sales and for lease, namely "Amata Trading, Servicing and Housing Area". The total investment capital is USD 16,963,373, in which the contributed capital to develop this project is USD 6,000,000 (30% of this amount is from Sonadezi Bien Hoa and the remainder of 70% is from Amata Corporation Public Company Limited). The project development period is 5 years (from 2007 to 2012). The operation period of the project is 50 years from the date of the investment certificate.
- The fourth amended investment certificate dated 09 September 2011 approving the expansion of area of industrial park to 513.01 ha and expanding the term of operation for phase IID-IIIE to 05 February 2058.

The legal (authorized) capital of the Company is USD 20,400,000,00 equivalent to 365,996,400,000 VND with total of 36,599,640 shares. The Company has 13 shareholders in which included 03 founding shareholders accounting to 61% of legal capital.

The investment capital of the company is USD 46,072,890,00. The investment capital is the maximum total amount of legal (authorized) capital and long term debts that the Company can hold.

The main operation of the company are leasing industrial estate in Amata Industrial Park, building factories for resale and lease and providing other utilities.

The Company has 145 employees, including two managers as at 31 December, 2011 (31 December, 2010: 145 employees, including two managers).

#### Head office

Address	:	Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province.
Tel.	:	(061) 3991007
Fax	:	(061) 3891251
Email	:	amatavn@hcm.vnn.vn
Tax code	:	3600265395
Liaison Office	:	
Address	:	4 th Floor, 165 Nguyen Van Troi St, Phu Nhuan District, Ho Chi Minh City.

# Amata (Vietnam) Joint Stock Company

## Board of Directors' Report

As at 31 December 2011 (continued)

### 2. OPERATING RESULTS

The net earnings for the year ended 31 December 2011, after taxation, were VND 95.805.117.295 (2010: VND 63.142.094.289).

### 3. EVENTS AFTER THE BALANCE SHEET DATE

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.

### 4. FINANCIAL STATEMENTS

The financial statements of the company as at and for the year ended 31 December 2011 immediately follow this report.

### 5. MEMBERS OF THE BOARD OF DIRECTORS

The following persons were members of the board of directors during the year:

Name	Position	Date appointed	Date resigned
Mr. Vikrom Kromadit	Chairman, Advisory Board	10 July 1999	02 Aug.2011
Mr. Chackchai Panichapat	Chairman	21 February 2007	-
Mr. Chu Thanh Son	Vice chairman	05 March 2009	-
Mr. Viboon Kromadit	Director	21 February 2007	-
Mrs. Somhatai Phanichewa	Director	09 December 2004	-
Mrs. Varaporn Vatcharanukroh	Director	21 March 2005	02 Aug.2011
Mr. Chuchat Saitin	Director	02 Aug.2011	-
Mr. Anucha Sihanatkathakul	Director	21 February 2007	-
Mr. Do Ngoc Son	Director	02 Aug.2011	-
Mr. Huynh Ngoc Phien	Director & President	01 January 2005	-
Mr. Nguyen Minh Huy	Director	28 April 2006	-
Mrs. Pham Thi Thanh Huong	Director & Vice President	01 December 2007	-

### 6. AUDITORS

The auditors, Auditing and Consulting Company Limited (A&C) have performed the audit on the company's financial statements for this fiscal year and have expressed their willingness to be appointed the company's external auditors in the coming year.

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

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



# Amata (Vietnam) Joint Stock Company

## Board of Directors' Report

As at 31 December 2011 (continued)

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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 management 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 accounting records comply with the registered accounting system. 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.

### 8. STATEMENT BY THE BOARD OF DIRECTORS

We, Huynh Ngoc Phien and Pham Thi Thanh Huong, being members of the Board of Directors of Amata (Vietnam) Joint Stock Company state on behalf of the Board of Directors that the accompanying statement of financial position of the company as at 31 December 2011, and the related statements of comprehensive income, changes in Owner's equity and cash flows for the year then ended, give a true and fair view of the finance position of the Company as at 31 December 2011, and the results of its operations, changes in Owner's equity and its cash flows for the year then ended in accordance with the standards issued by the International Accounting Standards Committee (IASC).

For and on behalf of the Board of Directors



**HUYNH NGOC PHIEN**  
President

Dong Nai, 13 February 2012

**PHAM THI THANH HUONG**  
Vice President







**BAKER TILLY  
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN  
AUDITING AND CONSULTING CO., LTD.**



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No. 0032/2012/BCTC-KTTV

## AUDITOR'S REPORT

### OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2011 OF AMATA (VIETNAM) JOINT STOCK COMPANY

**To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE DIRECTORS**

We have audited the statement of financial position of Amata (Vietnam) Joint Stock Company as at 31 December 2011 and the related statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, which were prepared on 18 January 2012 (from page 06 to page 25). These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. Our responsibility is to express an audit opinion based on the results of our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in 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.

In our opinion, the financial statements present fairly the financial position of Amata (Vietnam) Joint Stock Company as at 31 December 2011 and the results of its operations and cash flows for the year then ended for the purposes of inclusion in the consolidated financial statements of Amata Corporation Public Company Limited prepared in accordance with generally accepted accounting standards.

This report is intended solely for the use of consolidation of Amata Corporation Public Co., Ltd. and should not be used for any other purpose.

**For and on behalf of  
Auditing and Consulting Company Limited (A&C)**



**Bui Van Kha - Vice General Director**  
*Audit Certificate No. Đ.0085/KTV*

**Hoang Thi Thu Huong - Auditor**  
*Audit Certificate No. Đ.0101/KTV*

Ho Chi Minh City, 13 February 2012

# Amata (Vietnam) Joint Stock Company

Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province

Statement of financial position as at 31 December 2011

All amounts are in Vietnam Dong (VND)

	Note	31/12/2011	01/01/2011
<b>ASSETS</b>			
<b>Non - Current assets</b>			
Development costs	3	239.066.858.221	233.583.793.932
Prepaid land-use rights	4	7.640.852.559	7.945.240.804
Prepaid land rental	5	30.046.000.000	-
Computer software	6	1.534.521.148	267.796.335
Property and equipment	7	343.502.449.048	267.037.583.550
Ready Build Factories for sale	8	5.497.307.453	5.215.550.592
Long-term investments	9	7.945.297.452	7.945.297.452
		<b>635.233.285.881</b>	<b>521.995.262.665</b>
<b>Current assets</b>			
Trade receivables	10	16.037.548.044	10.375.148.638
Inventories		357.238.585	222.667.757
Other current assets	11	25.591.290.526	22.797.548.645
Deferred income tax		8.835.580.773	9.047.546.574
Cash and cash equivalents		653.889.546.171	398.727.569.216
		<b>704.711.204.099</b>	<b>441.170.480.830</b>
<b>Total assets</b>		<b>1.339.944.489.980</b>	<b>963.165.743.495</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	365.996.400.000	365.996.400.000
Retained earnings		19.760.731.817	53.448.151.016
Other components of equity		20.087.198.822	10.240.390.574
		<b>405.844.330.639</b>	<b>429.684.941.590</b>
<b>Non - Current liabilities</b>			
Trade and other payables	13	49.059.410.873	39.909.347.606
Deferred revenue		694.784.799.421	335.669.114.520
Provisions	14	113.683.829.338	116.641.310.855
		<b>857.528.039.632</b>	<b>492.219.772.981</b>
<b>Current liabilities</b>			
Trade and other payables	15	36.311.100.694	20.556.856.217
Current taxes payable		10.401.255.421	12.605.226.394
Deferred revenue		26.902.282.341	5.097.164.844
Provisions	14	2.957.481.253	3.001.781.469
		<b>76.572.119.709</b>	<b>41.261.028.924</b>
<b>Total equity and liabilities</b>		<b>1.339.944.489.980</b>	<b>963.165.743.495</b>

Dong Nai, 18 January 2012



**HUYNH NGOC PHIEN**  
President

**PHAM THI THANH HUONG**  
First Vice President

# Amata (Vietnam) Joint Stock Company

Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province

Statement of comprehensive income for the fiscal year ended 31 December 2011

All amounts are in Vietnam Dong (VND)

	Note	Year 2011	Year 2010
Revenue	17	180.507.825.262	157.586.349.300
Cost of sales	17	(87.040.985.542)	(76.637.126.260)
Gross profit		93.466.839.720	80.949.223.040
Net other income	18	54.951.519.786	20.679.543.105
Operating expenses	19	(27.739.025.325)	(25.416.335.363)
Profit before tax		120.679.334.181	76.212.430.782
Current income tax expense	20	(24.662.251.085)	(14.211.041.485)
Deferred income tax		(211.965.801)	1.140.704.992
Profit for the year		95.805.117.295	63.142.094.289

Dong Nai, 18 January 2012



HUYNH NGOC PHIEN  
President

PHAM THI THANH HUONG  
First Vice President



# Amata (Vietnam) Joint Stock Company

Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province

Statement of cash flows for the fiscal year ended 31 December 2011

All amounts are in Vietnam Dong (VND)

	Note	Year 2011	Year 2010
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>		<b>120.679.334.181</b>	<b>76.212.430.782</b>
Adjustments for:			
Depreciation and amortization			
Allocation to cost of leasehold and amortization			
- of Development cost	3	11.025.292.730	7.382.466.988
Allocation to cost of leasehold and amortization			
- of prepaid Land use right	5	304.388.245	306.530.812
- Amortization of computer software	6	146.070.780	146.070.780
- Depreciation of Property, Plant and Equipment	7	31.807.200.284	23.489.001.965
- Allocation to cost of Ready built factories for sale	8	1.019.624.515	9.329.930.979
(Gain)/ loss on liquidation of equipment		(94.181.818)	(36.453.952)
(Gain)/ loss from investing activities		(56.160.901.960)	(15.193.667.286)
Operating profit / (loss) before changes of working capital		108.726.826.957	101.636.311.068
(Increase) / decrease in accounts receivable		(9.600.884.600)	7.169.214.289
(Increase) / decrease in inventories		(134.570.828)	(71.516.629)
Increase / (decrease) in accounts payable		351.646.258.209	151.093.102.326
Cash generated from operations		450.637.629.738	259.827.111.054
Corporate income tax already paid		(20.140.759.831)	(11.156.896.345)
Other gains		31.280.209.308	36.085.953.082
Other disbursements		(747.456.000)	(29.868.772.400)
<b>Net cash from operating activities</b>		<b>461.029.623.215</b>	<b>254.887.395.391</b>
<b>Cash flows from investing activities</b>			
Payments for Development costs		(30.800.236.780)	(47.669.807.241)
Purchases of Property, Plant and Equipment		(86.688.029.725)	(56.652.488.870)
Payments for Intangible asset		(1.412.795.593)	-
Payments for construction of Ready Built Factories for resale		-	-
Payments for Prepaid Land Rental		(30.046.000.000)	-
Proceeds from sale of property, plant, equipment		94.181.818	73.090.909
Investment		-	-
Receipts of investment		-	36.240.820.000
Receipts of loan interests, dividends and profit shared		52.784.154.019	14.820.927.349
<b>Net cash used in investing activities</b>		<b>(96.068.726.261)</b>	<b>(53.187.457.853)</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital contributions from shareholders		-	-
Dividend paid		(109.798.919.999)	(26.911.500.000)
<b>Net cash used in financing activities</b>		<b>(109.798.919.999)</b>	<b>(26.911.500.000)</b>
Net increase / (decrease) in cash and cash equivalent		255.161.976.955	174.788.437.538
Cash and cash equivalent at the beginning of the year		398.727.569.216	223.939.131.678
<b>Cash and cash equivalent at the ending of the year</b>		<b>653.889.546.171</b>	<b>398.727.569.216</b>

Dong Nai, 18 January 2012

**PHAM THI THANH HUONG**  
First Vice President

**HUYNH NGOC PHIEN**  
President

## Amata (Vietnam) Joint Stock Company

Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province

Statement of changes in equity for the fiscal year ended 31 December 2011

All amounts are in Vietnam Dong (VND)

	Share capital	Retained earnings	Business promotion fund	Financial reserved fund	Total
Balance as at 01 January 2011	365.996.400.000	53.448.151.016	5.120.195.287	5.120.195.287	429.684.941.590
Profit for the year	-	95.805.117.295	-	-	95.805.117.295
Extractions for funds	-	(19.693.616.495)	4.923.404.124	4.923.404.124	(9.846.808.247)
Dividends sharing	-	(109.798.919.999)	-	-	(109.798.919.999)
<b>Balance as at 31 December 2011</b>	<b>365.996.400.000</b>	<b>19.760.731.817</b>	<b>10.043.599.411</b>	<b>10.043.599.411</b>	<b>405.844.330.639</b>



*Phan Huynh*

**HUYNH NGOC PHIEN**  
President

Dong Nai, 18 January 2012

*Pham Thi Thanh Huong*

**PHAM THI THANH HUONG**  
First Vice President



The accompanying Notes to the Financial Statements form an integral part of these financial statements

# Amata (Vietnam) Joint Stock Company

Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province

## Notes to the Financial Statements

For the fiscal year ended 31 December 2011

All amounts are in VND

### 1. Organization

Amata (Vietnam) Joint Stock Company has been operating in accordance with the first investment certificate No. 472022000132 dated 31 December 1994 and the first amended investment certificate dated 07 May 2007 granted by Dong Nai Industrial Zones Authority. This investment certificate replaces the investment license No. 1100/GP dated 31 December 1994 and the amended licenses No. 1100/GPĐC dated 28 April 1998, No. 1100/GPĐC2 dated 14 February 2001 and No. 1100/GPĐC2 dated 02 October 2002 granted by the former State Committee for Co-operation and Investment (now called the Ministry of Planning and Investment).

The operation period of the company is 50 years, starting from 31 December 1994.

During its operation course, the company has been granted the following licenses:

- The second amended investment certificate dated 05 February 2008 approving the expansion of the area of industrial park.
- The third amended investment certificate dated 29 April 2009 approving the company's transformation into a joint stock company.
- On 21 August 2008, the company has been additionally granted the investment certificate No. 47122000050 by the People's Committee of Dong Nai Province approving the investment into the construction of a complex for trading and service centers and houses for sales and for lease, namely "Amata Trading, Servicing and Housing Area". The total investment capital is USD 16,963,373.00, in which the contributed capital to develop this project is USD 6,000,000.00 (30% of this amount is from Sonadezi Bien Hoa and the remainder of 70% is from Amata Corporation Public Company Limited). The project development period is 5 years (from 2007 to 2012). The operation period of the project is 50 years from the date of the investment certificate.
- The fourth amended investment certificate dated 09 September 2011 approving the expansion of area of industrial park to 513.01 ha and expanding the term of operation for phase IID-IIIE to 05 February 2058.

The legal (authorized) capital of the Company is USD 20,400,000.00 equivalent to 365.996.400.000 VND with total of 36.599.640 shares. The Company has 13 shareholders in which included 03 founding shareholders accounting to 61% of legal capital.

The investment capital of the company is USD 46,072,890.00. The investment capital is the maximum total amount of legal (authorized) capital and long term debts that the Company can hold.

Head office	:	
Address	:	Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province.
Tel.	:	(061) 3991007
Fax	:	(061) 3891251
Email	:	amatavn@hcm.vnn.vn
Tax code	:	3600265395

The main operation of the company are leasing industrial estate in Amata Industrial Park, building factories for resale and lease and providing other utilities.

At present, the company is in the process of extending the area of the Industrial Park to 494.68 ha in Bien Hoa, Dongnai Province. Including:

- |                        |   |  |
|------------------------|---|--|
| - Phase 1 and 2(A + B) | : | 393,12 ha with term of operation of 50 years from 31/12/1994 |
| - Phase 2D             | : | 46,12 ha with term of operation of 50 years from 05/02/2008  |
| - Phase 2E             | : | 55,44 ha with term of operation of 50 years from 05/02/2008  |
| - Phase 3              | : | 64.49 ha with term of operation of 50 years from 09/09/2011  |

The company is also involved in investment in Amata Power (Bien Hoa) Co., Ltd.

The Company has 145 employees, including two managers as at 31 December 2011.

## **Amata (Vietnam) Joint Stock Company**

**Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province**

### **Notes to the Financial Statements**

**For the fiscal year ended 31 December 2011 (continued)**

All amounts are in VND

## **2. Summary of significant accounting policies**

### *Basis of preparation*

The financial statements of the Company have been prepared in accordance with standards issued by the International Accounting Standards Committee (IASC) and interpretations issued by the Standing Interpretation Committee of the IASC.

The financial statements have been prepared under the historical cost convention.

### *Reporting currency*

Starting from operation period to 2009, The financial statements are prepared in US Dollars (USD), which is the Company's measurement and presentation (reporting) currency. The Company uses USD as its measurement currency because USD provides information that better reflects the economic substance of the underlying events and circumstances relevant to the Company, that is, majority of the Company transaction are denominated and paid in USD, in particular, expatriate payroll costs, capital expenditures, legal capital contributions and revenues are all dominated in USD.

As the Company is to list on the Stock Exchange of Vietnam and its measurement currency must be VND, therefore General Meeting of Shareholders dated March 24, 2010 agrees to converted into VND from the fiscal year of 2010 with exchange rate of 17.941 VND/USD and the conversion complied with guidance of the Circular 244/2009/TT-BTC dated December 31, 2009 of Ministry of Finance.

### *Foreign currency transactions*

The Company uses the VND as its measurement and presentation (reporting) currency. Transactions in foreign currencies are recorded at the exchange rates at the dates of the transactions. Exchange gains and losses arising from foreign currency transactions are credited, or charged, to statement of comprehensive income.

At the statement of financial position date, non-reporting currency monetary assets and liabilities are translated at the closing rates. Exchange differences arising from these translations are included in the statement of comprehensive income as non-operating items.

The exchange rates used as at	31 December 2010	: 18.932 VND/USD
	31 December 2011	: 20.828 VND/USD

### *Cash*

Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost.

### *Trade and other receivable*

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts.

### *Development costs*

Development costs consist of all expenses incurred in relation to the development of the industrial estate to be leased. Such expenses include master plan and design costs, land clearance, land grading, compensation for relocation, road construction, storm drainage system, landscaping, sewage system, and professional service fees incurred in relation to the development of the land. Development costs are reduced and allocated as a cost of leasehold based on the amount of newly leased land in proportion to collections made during the period. Development costs pertaining to the land not yet leased are amortized on a straight-line basis until the expiration of the Company's investment license. On a yearly basis, the area used as the basis for the amortization of remaining development costs is adjusted depending on the amount of land not yet leased.



## Amata (Vietnam) Joint Stock Company

Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province

### Notes to the Financial Statements

For the fiscal year ended 31 December 2011 (continued)

All amounts are in VND

#### Land-use rights

Prepaid land-use rights in phase 1 represent the right to use 100 hectares of land for a period of 50 years starting from the date of the issuance of the investment license for the purpose of developing infrastructure facilities in the industrial park. The value assigned to the 100 hectares prepaid land-use rights was the current land value in the area as approved by the People Committee of Dong Nai at the date when the prepaid land-use rights were granted, and agreed between the parties.

Prepaid land-use rights are reduced and allocated as a cost of leasehold based on the amount of newly leased land in proportion to collections made during the period. Prepaid land use rights pertaining to the land not yet leased are amortized on a straight-line basis until the expiration of the Company investment license. On a yearly basis, the area used as the basis for the amortization of remaining prepaid land-use rights is adjusted depending on the amount of land not yet leased.

In addition to the above 100 ha, the Company has entered into agreement with Dongnai Land Department, and value of land use right from the date of hand-over up to 31 December 2044 will be paid annual method at the difference land rate. Up to now the Company has been handed over phases as follows:

No.	Contract No.	Date of signing	Area ( ha )	Phase
1	02/HĐ-TĐ	12-12-1995	29,18	1
2	122/HĐTĐ.nn	04-11-2003	73,8	2A
3	150/HĐTĐ	17-05-2005	24,15	2A
4	159/HĐTĐ	11-05-2006	59,25	2B
5	32/HĐTĐ	24-06-2009	30,99 +7,97	1-2A
6	62/HĐTĐ	24-07-2008	9	2B
7	59/HĐTĐ	17-08-2010	8,28	2B
8	13/HĐTĐ	10-03-2009	24,34	2D
9	23/HĐTĐ	19-03-2008	16,47	Commercial complex
10	68/HĐTĐ	05-10-2010	21,78	2D

#### Prepaid Land Rental

Prepaid land rental of 0,83 hectares of land from the Dong Nai Land Department for a rental period starting from 10 November 2010 to 21 August 2057 for the purpose of developing a part of infrastructure facilities in the Commercial complex.

Prepaid land rental are reduced and allocated as a cost of leasehold based on the straight line basis during the rental period.

#### Investment

The Company's investment in Amata Power (Bien Hoa) Ltd has been classified as an available-for-sale investment.

#### Computer software

Computer software includes all the expenses paid by the company and its subsidiary to put the software into use. These expenses are amortized in 3 years.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. The depreciation is computed on a straight-line basis over their estimated useful lives. The annual depreciation rates are as follows:

Power substation	:	2%
Waste water treatment plant	:	5 - 10%



# **Amata (Vietnam) Joint Stock Company**

**Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province**

## **Notes to the Financial Statements**

**For the fiscal year ended 31 December 2011 (continued)**

All amounts are in VND

Factory buildings for lease	:	2 - 20%
Others	:	16 - 33%

The useful life and depreciation period are reviewed periodically to ensure the method and the period of the depreciation is consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Maintenance and repair costs are expensed as incurred. Significant renewals and improvements are capitalized. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the statement of income in the period the costs are incurred. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are removed from the financial statements and any resulting gains or losses are reflected in the statement of income for the year.

Construction in progress represents property, plant and equipment under construction and is stated at cost. This includes cost of construction, plant and equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

### *Impairment of assets*

Property, plant and equipment, prepaid land use rights, development costs are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in income. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the cost of disposal while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of impairment losses recognized in prior years is recorded when the impairment losses recognized for the asset no longer exist or have decreased. The reversal is recorded in income.

### *Operating lease – the Company as lessee*

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term.

### *Operating lease – the Company as lessor*

The Company presents assets subject to operating leases in the statement of financial position according to the nature of the assets. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis. Initial direct costs incurred specifically to earn revenues from an operating lease are recognized as an expense in the statement of comprehensive income in the period in which they are incurred.

### *Deferred income tax*

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the statement of financial position dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used.

# **Amata (Vietnam) Joint Stock Company**

**Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province**

## **Notes to the Financial Statements**

**For the fiscal year ended 31 December 2011 (continued)**

All amounts are in VND

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as at the statement of financial position date. Deferred income tax is recognized in the statement of comprehensive income. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity of the Company.

### *Revenue recognition*

Lease revenue except for operating leases is recognized based on the installment method of accounting. Under this method, the gross profit is realized in proportion to collections made based on the gross profit rate; and the gross income pertaining to the balance of the installments due is deferred and will be recognized as revenue each time a collection is made, provided the following conditions are met:

- a. A property lease agreement is signed;
- b. The lessor and the lessee are separate entities;
- c. The down payment and installments paid by lessee should not be less than 20% of the lease (contract) price;
- d. Lessor has the ability to collect the money according to the contract;
- e. At least 10% of the construction work of the project offered for lease has been completed or the construction of access road to the leased property has been completed;
- f. Lessor is financially capable and is clearly capable, as guaranteed in the contract, of meeting all other representations it has made;
- g. Construction has made good progress or has been completed; and
- h. Lessor can systematically estimate the aggregate amount of lease proceeds and total cost of construction. The estimated cost should be revised at least once a year or at any time that the lessor anticipates a material change in costs. These estimates are determined by management, based on valid cost estimates from suppliers at the date of the financial statements.

Land Lease income from operating leases is recognized in income on a straight - line basis over the lease term. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis. Initial direct costs incurred specifically to earn revenues from an operating lease are recognized as an expense in the statement of comprehensive income in the period in which they are incurred.

### *Financial instruments*

Financial assets and financial liabilities carried on the statement of financial position include cash, trade and other accounts receivable, investments and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, gains, and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

The market risks associated with changes in interest and foreign exchange rates are considered low. The Company does not use derivable financial instruments to mitigate market risks that exist.

### *Subsequent events*

Post-balance sheet events that provide additional information about a company position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the notes when material.

# Amata (Vietnam) Joint Stock Company

Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province

## Notes to the Financial Statements

For the fiscal year ended 31 December 2011 (continued)

All amounts are in VND

### 3. Development costs

	31 Dec. 2011	01 Jan. 2011
Compensation for relocation	45.026.536.312	45.026.536.312
Land clearance	5.990.737.439	5.990.737.439
Land grading	18.802.709.037	18.802.709.037
Master plan and design fee (phrase 1)	6.182.059.473	6.165.048.974
Professional service fees	5.000.405.003	5.000.405.003
Road construction	72.605.755.935	72.605.755.935
Storm drainage system	18.347.833.716	17.726.734.826
Landscaping	5.904.568.943	5.904.568.943
Sewage water drainage system	8.302.704.805	8.302.704.805
Water supply system	20.359.392.338	20.359.392.338
Waste water pumping station	2.557.065.933	2.557.065.933
<b>Total development cost for phase 1</b>	<b>209.079.768.934</b>	<b>208.441.659.545</b>
Compensation for relocation	61.698.192.191	61.698.192.191
Land clearance	3.644.974.001	3.476.070.903
Land grading	42.405.239.314	38.743.876.597
Master plan and design fee (phrase 2)	3.119.815.229	3.107.018.602
Road construction	32.806.236.737	31.680.587.883
Storm drainage system	8.331.388.437	7.969.555.427
Landscaping	2.331.908.028	2.331.908.028
Sewage water drainage system	4.048.352.678	3.963.810.444
Water supply system	9.105.776.722	9.105.776.722
Lighting system	1.377.202.738	1.377.202.738
<b>Total development cost for phase 2 A</b>	<b>168.869.086.075</b>	<b>163.453.999.535</b>
Compensation for relocation	37.423.619.964	36.367.919.964
Land Clearance	1.620.645.694	1.620.645.694
Land grading	13.707.425.810	13.707.425.810
Master plan and design fee	1.498.811.255	1.498.811.255
Road construction	24.389.335.155	24.389.335.155
Storm drainage system	9.357.637.357	9.357.637.357
Landscaping	1.628.908.720	1.309.570.120
Sewage water drainage system	3.769.281.922	3.769.281.922
Water supply system	7.551.774.205	7.522.930.165
Lighting system	789.672.321	789.672.321
Bridge Amata I	10.271.603.387	10.271.603.387
Bridge Amata II	577.521	577.521
Water pumping station No.2	12.435.534.398	12.435.534.398
Waste water pumping station	2.430.584.495	2.430.584.495
<b>Total development cost for phase 2 B</b>	<b>126.875.412.204</b>	<b>125.471.529.564</b>
Compensation and relocation	14.284.650.697	14.277.150.697
Land Clearance	740.657.594	697.397.594
Land grading	30.236.976.666	23.578.240.131
Master plan and design fee	1.215.685.614	1.125.519.399
Road construction	8.202.208.038	5.663.590.023
Storm drainage system	9.436.795.496	8.966.630.957
Landscaping	988.914.951	255.127.351
Sewage water drainage system	3.120.080.545	3.075.315.952
Water supply system	1.083.678.908	1.016.115.179
Lighting system	426.338.176	426.338.176
Safety corridor for K860 depot	8.172.404.662	8.172.404.662
Waste water pumping station	1.923.156.031	1.923.156.031
<b>Total development cost for phase 2D</b>	<b>79.831.547.378</b>	<b>69.176.986.152</b>
Compensation and relocation	-	-
Land Clearance	104.367.282	104.367.282



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## Notes to the Financial Statements

For the fiscal year ended 31 December 2011 (continued)

All amounts are in VND

	31 Dec. 2011	01 Jan. 2011
Master plan and design fee	466.531.889	308.070.114
Safety corridor for K860 depot	4.036.282.754	4.036.282.754
<b>Total development cost for phase 2E</b>	<b>4.607.181.925</b>	<b>4.448.720.150</b>
Land Clearance	175.191.174	175.191.174
Master plan and design fee	877.739.502	410.847.776
Safety corridor for K860 depot	353.185.240	-
<b>Total development cost for phase 3</b>	<b>1.406.115.916</b>	<b>586.038.950</b>
Master plan and design fee	1.428.087.890	1.015.780.330
<b>Total resettled area</b>	<b>1.428.087.890</b>	<b>1.015.780.330</b>
Expenses for retrieving leasehold	15.980.892.410	15.980.892.410
<b>Total</b>	<b>15.980.892.410</b>	<b>15.980.892.410</b>
Compensation for relocation	78.493.561.683	78.493.561.683
Land clearance	203.536.519	203.536.519
Land grading	5.173.657.106	1.105.205.665
Master plan and design fee	4.180.906.626	4.180.906.626
Professional service fee	352.375.090	111.448.416
Road construction	2.381.353.465	257.899.722
Storm drainage system	4.940.162.409	1.989.580.353
Landscaping	431.923.600	144.057.600
Sewage water drainage system	938.545.338	-
Water supply system	732.577.795	-
Lighting system	285.162.348	66.980.530
<b>Others</b>	<b>1.250.598.061</b>	<b>-</b>
<b>Total development cost for Commercial Complex</b>	<b>99.364.360.040</b>	<b>86.553.177.114</b>
<b>Total development cost</b>	<b>707.442.452.772</b>	<b>675.128.783.750</b>
<b>Recovery development cost due to retrieving leasehold</b>	<b>1.390.318.410</b>	<b>1.390.318.410</b>
Accumulated allocation to cost of leasehold	(379.990.173.144)	(370.998.159.945)
Accumulated amortization	(38.719.772.258)	(36.764.105.143)
Allocation to factory buildings for lease	(50.604.465.587)	(34.799.153.584)
Allocation to services expenses	(451.501.972)	(373.889.556)
<b>Total accumulated allocation and amortization</b>	<b>(469.765.912.961)</b>	<b>(442.935.308.228)</b>
<b>Net book value of development cost</b>	<b>239.066.858.221</b>	<b>233.583.793.932</b>

The realization of these development costs depends on the Company's ability to attract customers to lease its property. Adjusted allocations of development costs to cost of leased for the leased area computed based on the total asset incurred at the completion of each phase, and amortization of the development costs for the remaining area as follows:

Leasehold ( sq.m )	Collection Rate	Remaining area (s.q.m)	Allocated to Factory	Allocated to Cost of leasehold	Allocated To Services	Amortization for year	Total
<b>Balance as at 01 Jan. 2011</b>			<b>34.799.153.584</b>	<b>370.998.159.945</b>	<b>373.889.556</b>	<b>36.764.105.143</b>	<b>442.935.308.228</b>
676.671,00	100%	92.904	-	53.179.864	77.612.416	-	130.792.280
151.353,69	100%						
(5.929,00)	100%						
<b>Phase 2A</b>		36.645,01	-	5.862.246.837	-	241.335.677	6.103.582.514
815.689,28	100%						
33.470,10	100%						
<b>Phase 2B</b>		153.659,70	3.211.599.693	506.273.151	-	1.370.098.602	5.087.971.446
388.688,70	100%						
<b>Phase 2D</b>		41.733,40	2.957.761.445	2.313.279.775	-	344.232.836	5.615.274.056
289.194,00	100%						
<b>Commercial Complex</b>		122.209,70	9.635.950.865	257.033.572	-	-	9.892.984.437
8.420,30	29%						
<b>Balance as at 31 Dec. 2011</b>			<b>50.604.465.587</b>	<b>379.990.173.144</b>	<b>451.501.972</b>	<b>38.719.772.258</b>	<b>469.765.912.961</b>

# Amata (Vietnam) Joint Stock Company

Address: Long Binh Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province

## Notes to the Financial Statements

For the fiscal year ended 31 December 2011 (continued)

All amounts are in VND

### 4. Prepaid & accrued Land-use rights

	31 Dec. 2011	01 Jan. 2010
Cost of 100 hectares of land contributed as capital (see Note 10)	89.705.000.000	89.705.000.000
<b>Total</b>	<b>89.705.000.000</b>	<b>89.705.000.000</b>
Accumulated allocation to cost of leasehold	(57.305.187.636)	(57.274.061.364)
Accumulated amortization	(12.249.864.409)	(12.018.323.460)
Accumulated allocation to factory buildings for lease	(12.266.850.560)	(12.266.850.560)
Accumulated allocation to service utilities	(242.244.836)	(200.523.812)
<b>Total accumulated allocation and amortization</b>	<b>( 82.064.147.441)</b>	<b>(81.759.759.196)</b>
<b>Net book value of land use right of 100ha</b>	<b>7.640.852.559</b>	<b>7.945.240.804</b>

Of the 100 hectares of land use right (phase 1), 91.5 hectares was allocated for lease. As at 31 December 2011, 82.21 hectares has been leased.

Adjusted allocations of Land Use right (phase 1) to cost of leased for the leased area and amortization of Land Use Right for the remaining area as follows:

Leasehold ( sq.m )	Collection Rate	Remaining area (sqm)	Allocated to factory	Allocated to Cost of leasehold	Allocated to services	Amortization for year	Total
Balance as at 01 Jan. 2011			12.266.850.560	57.274.061.364	200.523.812	12.018.323.460	81.759.759.196
676.671	100%	92.904	-	31.126.272	41.721.024	231.540.949	304.388.24
151.354	100%						
(5.929)	100%						
Balance as at 31 Dec. 2011			12.266.850.560	57.305.187.636	242.244.836	12.249.864.409	82.064.147.44

### 5. Prepaid land rental

#### Cost

Balance as at 01 Jan. 2011	-
Additions	30.046.000.000
<b>Balance as at 31 Dec. 2011</b>	<b>30.046.000.000</b>

### 6. Computer software

#### Cost

Balance as at 01 Jan. 2011	438.212.334
Additions	1.412.795.593
<b>Balance as at 31 Dec. 2011</b>	<b>1.851.007.927</b>

#### Accumulated amortization

Balance as at 01 Jan. 2011	170.415.999
Amortization	146.070.780
<b>Balance as at 31 Dec. 2011</b>	<b>316.486.779</b>

#### Net book value

Balance as at 01 Jan. 2011	267.796.335
<b>Balance as at 31 Dec. 2011</b>	<b>1.534.521.148</b>



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## Notes to the Financial Statements

For the fiscal year ended 31 December 2011 (continued)

All amounts are in VND

### 7. Property, Plant and Equipment

	Power substation	Waste water treatment system	Factory building for lease	Others	Construction In progress	Total
<b>Cost</b>						
Balance as at 01 Jan. 2011	77.829.364.513	39.857.547.007	221.772.863.544	24.520.231.977	29.501.451.365	393.481.458.406
Additions	39.431.372	237.661.035	1.076.876.532	382.325.647	92.343.342.226	94.079.636.812
From Construction in progress	2.212.727.273	949.591.820	62.132.592.564	49.981.070.780	(115.275.982.437)	-
Transfer into factory for sales	-	-	(2.414.303.506)	-	-	(2.414.303.506)
Disposal	-	-	-	(409.428.195)	-	(409.428.195)
Other reclassification	-	59.680.000	6.357.148.871	9.643.966.985	(566.985.510)	15.493.810.346
<b>Balance as at 31 Dec. 2011</b>	<b>80.081.523.158</b>	<b>41.104.479.862</b>	<b>288.925.178.005</b>	<b>84.118.167.194</b>	<b>6.001.825.644</b>	<b>500.231.173.863</b>
<b>Accumulated depreciation</b>						
Balance as at 01 Jan. 2011	27.884.425.130	14.428.370.009	64.604.026.457	19.527.053.260	-	126.443.874.856
Depreciation	2.415.735.791	4.004.349.323	23.305.580.309	2.081.534.861	-	31.807.200.284
Transfer into factory for sales	-	-	(1.112.922.130)	-	-	(1.112.922.130)
Disposal	-	-	-	(409.428.195)	-	(409.428.195)
<b>Balance as at 31 Dec. 2011</b>	<b>30.300.160.921</b>	<b>18.432.719.332</b>	<b>86.796.684.636</b>	<b>21.199.159.926</b>	<b>-</b>	<b>156.728.724.815</b>
<b>Net book value</b>						
Balance as at 01 Jan. 2011	49.944.939.383	25.429.176.998	157.168.837.087	4.993.178.717	29.501.451.365	267.037.583.550
<b>Balance as at 31 Dec. 2011</b>	<b>49.781.362.237</b>	<b>22.671.760.530</b>	<b>202.128.493.369</b>	<b>62.919.007.268</b>	<b>6.001.825.644</b>	<b>343.502.449.048</b>

### 8. Ready Built Factories for sales

Revenue of Ready built factory for sale is recognized 100% at the date of handover to the customers.  
Land for Ready Built Factory is recognized in income on a straight-line basis over the lease term.

Allocations of Ready build factory construction costs to cost of sale computed based on the total cost incurred at the completion of each ready build factory. Construction cost and allocation to cost of sale is shown as follows:

#### Cost RBFs

Balance as at 01 Jan. 2011	5.946.054.866
Transfer from RBFs for lease	2.414.303.506
Disposal	(1.867.342.518)
<b>Balance as at 31 Dec. 2011</b>	<b>6.493.015.854</b>

#### Accumulated allocation

Balance as at 01 Jan. 2011	730.504.274
Allocation	1.019.624.515
Transfer from RBFs for lease	1.112.922.130
Disposal	(1.867.342.518)
<b>Balance as at 31 Dec. 2011</b>	<b>995.708.401</b>

#### Net book value

Balance as at 01 Jan. 2011	5.215.550.592
<b>Balance as at 31 Dec. 2011</b>	<b>5.497.307.453</b>

### 9. Long-term investment

The Company has entered into a joint venture agreement with Amata Power Co. Ltd. of Thailand, Banpu Power Vietnam 1 Pte. Limited of Singapore, E.ON Energie AG, Energie Baden – Württemberg AG (EnBW) and Deutsche Investitions – Und Entwicklungsgesellschaft MBH (DEG) of Germany to form Amata Power (Bien Hoa) Ltd. (APBH), the investment license of which was issued on 29 September, 1996 by MPI. The Company's agreed share in the joint venture is USD 3,300,000 or 10% of the legal

## Amata (Vietnam) Joint Stock Company

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### Notes to the Financial Statements

For the fiscal year ended 31 December 2011 (continued)

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capital (total legal capital is USD 33,000,000 and total investment capital will reach USD 110,000,000. APBH has constructed and is operating a power plant having a total capacity of 12,7 MW for the initial phase in order to supply electricity to tenants in Amata City (Bien Hoa).

The Company has recorded its investment in Amata Power (Bien Hoa) Ltd at the historical cost less the accumulated loss of Amata Power (Bien Hoa) Ltd. corresponding to the rate of capital contribution. Amata Power Bien Hoa Ltd. incurred losses for the beginning years, and has got profit since 2002. Up to now, Amata Power (Bien Hoa) Ltd. has got an accumulated profit of VND 140.079.511.661 (this amount is based on its unaudited financial statements for the year ended 31 December 2011).

#### 10. Trade receivables

	31 Dec. 2011	01 Jan. 2011
Trade receivables	16.588.321.120	10.925.921.714
Allowance for doubtful debt	(550.773.076)	(550.773.076)
<b>Net book value</b>	<b>16.037.548.044</b>	<b>10.375.148.638</b>

#### 11. Other current assets

	31 Dec. 2011	01 Jan. 2011
Advance to supplier	5.600.585.083	6.177.263.674
Advance to employee	557.158.500	414.401.471
Overpaid tax	13.916.805.802	14.160.926.764
Accrued interest on term deposits	5.476.082.869	2.005.956.736
Others	40.658.272	39.000.000
<b>Total</b>	<b>25.591.290.526</b>	<b>22.797.548.645</b>

#### 12. Capital

As at 31 December 2011, the Company's legal capital is USD 20,400,000 equivalent to 365.996.400.000 VND. total of shares are 36.599.640 share with par value of 10.000 VND

As at 31 December 2011, the Vietnamese party and foreign parties have contributed legal capital as shown below:

	Contributed capital		Number of shares	Percentage	Note
	By USD	Convert to VND			
<b>Vietnamese party</b>	<b>6,120,000</b>	<b>109.798.920.000</b>	<b>10.979.892</b>	<b>30,00%</b>	
Sonadezi (Bien Hoa)	6,120,000	109.798.920.000	10.979.892	30,00%	Founding shareholder
<b>Foreign parties</b>	<b>14,280,000</b>	<b>256.197.480.000</b>	<b>25.619.748</b>	<b>70,00%</b>	
Amata Corporation Public Co., Ltd.	6,120,000	109.798.920.000	10.979.892	30,00%	Founding shareholder
Amata Water Company Limited	204,000	3.659.964.000	365.996	1,00%	Founding shareholder
Amata Hongkong Limited	6,503,520	116.679.652.320	11.667.965	31,88%	
E.C.I Group Co Ltd	428,400	7.685.924.400	768.592	2,10%	
Saha Pathanapibul PLC	142,800	2.561.974.800	256.197	0,70%	
Saha Pathana Inter-Holdings PLC	142,800	2.561.974.800	256.197	0,70%	
International Cosmetics PLC (I.C.C International Plc)	142,800	2.561.974.800	256.197	0,70%	
Mr. Harald Link	142,800	2.561.974.800	256.197	0,70%	
Mr. Anukorn Vejphaisaliphath	142,800	2.561.974.800	256.197	0,70%	
Dr. Lin Wei Tong	142,800	2.561.974.800	256.197	0,70%	
Dr. Huynh Ngoc Phien	142,800	2.561.974.800	256.202	0,70%	
Mr. Yanyong					
Detphirattanamongkhon	24,480	439.195.680	43.919	0,12%	
<b>Total</b>	<b>20,400,000</b>	<b>365.996.400.000</b>	<b>36.599.640</b>	<b>100,00%</b>	

# Amata (Vietnam) Joint Stock Company

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## Notes to the Financial Statements

For the fiscal year ended 31 December 2011 (continued)

All amounts are in VND

The calculation of the percentage of ownership of each foreign party in the Company was determined using the following formula:

$$\text{Ownership of each foreign party} = \frac{\text{amount of the legal capital paid-in} \times 17.941}{365.996.400.000}$$

Each individual shareholder will receive their share in the profit according to the percentage of share shown in the table above.

### 13. Non current liabilities - Trade and other payables

These are the deposits from customers for land rental and Factory rental, and the deposits to build up factories for lease.

### 14. Provisions

Provisions related to deferred payment for land cost.

In 2009, master plan for phase 2A was adjusted to increase to 139,57 ha of which 108,33 ha are allocated for lease in which 3,34 ha has been used for Ready Built Factories; 101,03 ha has been entered into agreement and made of payment of 100%; a further 3,66 ha remains available for lease as at 31 December 2011.

Of the 76,54 ha of phase 2B, 56,69 ha are allocated for lease in which 38,86 ha has been entered into agreement; 1,76 ha has been used for Ready Built Factory; and further 16,05 ha remains available for lease as at 31 December 2011.

Phase 2D was developed with total area of 34,11 ha for lease in which 23,29 ha has been entered into agreement and 1,01 ha has been used for Ready Built Factory; and further 4,17 ha remains available for lease as at 31 December 2011.

It is due to that land cost for phase 2A and 2B will be annually paid by the Company and land cost for phase 2A & 2B was accrued at the time of installment. Land cost used as the basis for amortization to cost of leasehold which is adjusted and retained to allocation as follows:

Leasehold (sqm)	Collection rate	Remaining area (sqm)	Retrieved land leasehold	Land cost to factory building	Land cost for the leased area	Total
<b>Land cost for the leased land</b>						
Balance as at 01 Jan. 2011			(161.594.049)	4.360.755.318	126.887.631.984	131.086.793.253
<b>1. Phase 1B</b>						
197.521,91	100,00%	-	-	-	-	-
<b>2. Phase 2A ( 97,95 ha )</b>						
815.689,28	100,00%	36.645,01	-	-	-	-
33.470,10	100,00%	-	-	-	-	-
<b>3. Phase 2B</b>						
366.127,20	100,00%	200.777,20	-	-	-	-
<b>Balance as at 31 Dec. 2011</b>			<b>(161.594.049)</b>	<b>4.360.755.318</b>	<b>126.887.631.984</b>	<b>131.086.793.253</b>

### Accumulated allocation

Balance as at 01 Jan. 2011	-	337.858.174	11.105.842.755	11.443.700.929
1. Phase 1B (21,16 ha)	-	-	467.439.954	467.439.954
2. Phase 2A (97,95 ha)	-	67.562.588	1.723.955.815	1.791.518.403
3. Phase 2B	-	23.438.051	719.385.325	742.823.376
<b>Balance as at 31 Dec. 2011</b>	<b>-</b>	<b>428.858.813</b>	<b>14.016.623.849</b>	<b>14.445.482.662</b>

### Deferred payment for land cost

Balance as at 01 Jan. 2011	(161.594.049)	4.022.897.144	115.781.789.229	119.643.092.324
<b>Balance as at 31 Dec. 2011</b>	<b>(161.594.049)</b>	<b>3.931.896.505</b>	<b>112.871.008.135</b>	<b>116.641.310.594</b>

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For the fiscal year ended 31 December 2011 (continued)

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*In which:* The current land cost payable and long term deferred payment is VND 113.683.829.338 and 2.957.481.253 VND respectively.

### 15. Current liabilities – Trade and other payables

	31 Dec. 2011	01 Jan. 2011
Accounts payable	16.349.464.808	7.981.088.669
Advance from Customers	23.858.920	19.547
Payable to employees	2.963.198.465	2.274.916.975
Accrued expenses	88.192.541	130.437.308
Bonus and welfare funds	12.596.373.075	6.716.525.240
Provisions for unemployment allowances	2.125.132.910	1.776.689.817
Other payables	2.164.879.975	1.677.178.660
<b>Total</b>	<b>36.311.100.694</b>	<b>20.556.856.216</b>

### 16. Related party transactions

In the ordinary course of business, the company had transactions with its associate, Amata Power (Bien Hoa) Ltd. (APBH). Major related party transactions for the year ended 31 December 2011 are as follows:

		Sales (Purchase)	
		For the year of	
Relationship	Nature of transaction	2011	2010
APBH Associate	- Land lease (i)	560.623.732	3.893.892.900
	- Transmission line for lease	962.071.990	1.376.680.969
	- Charge for water supply, waste water treatment and service	76.088.088	51.818.701
	- Electricity charges	(2.399.519.557)	(2.249.004.836)

The account balances as at 31 December 2011 is as follows:

		Receivable (Payable)	
Relationship	Nature of transaction	31 Dec. 2011	01 Jan. 2011
APBH Associate	- Electricity assets lease (i)	-	-
	- Charge for water supply, waste water treatment and service	4.488.347	4.844.977
	- Electricity charges	(189.187.272)	(173.622.825)

On 10 April, 1997 the Company entered into a lease agreement with Amata Power (Bien Hoa) Ltd. (APBH) to lease the electricity generation, transmission and distribution assets (electricity assets), and sublease a portion of the land. APBH obtained control and use of these assets in September 1997 without the ownership rights and title on these assets.

#### *Electricity assets lease*

Based on the agreement APBH has to pay a total rental fee of USD 3,780,000 to obtain the exclusive rights to use the electricity assets. The total amount is receivable in installments from October 1997 to December 2044 (the lease period). This amount will be adjusted annually based on changes in the minimum lending rate but shall not be more than USD 4,836,000. Collections are made in part by recognizing capital contributions to APBH and in part by direct cash collection from APBH. The installments become due as the Company is required to contribute legal capital to APBH according to the approved payment schedule of legal capital.

As at 31 December 2011, the total amount of installments receivable was USD 564,300.00 of which USD 442,857.00 convert into 7.945.297.452 VND has been recognized as capital contributions to APBH. The remaining balance was collected in cash.



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As at 31 December 2011, 09 supplementary agreements have been signed to lease distribution assets in phase 2A-2B-2D. Pursuant to its agreement, APBH shall return construction cost at the completion time of the commissioning test and this property shall not transfer the ownership rights to the APBH.

In addition to the electricity assets rental fees, APBH has to reimburse the Company an annual rental fee of USD 27,142.00 (excluding 10% VAT) paid by the Company for the 12.683 square meters of land on which the transmission assets (the 110kV transmission lines and poles) were constructed.

### Land lease

The Company has granted APBH a right to lease 49.917 square meters of land (reserved land) for the construction of the 120MW power plant project, which is being implemented in phases. The land rental rate for the first phase of the project is USD 30 per square meter for the entire term of the lease. This rate is adjusted annually based on the prevailing minimum lending rate, with the rental not exceeding USD50 per square meter for the remaining term of the reserved land. The land rental fee for the entire term of the lease is payable in lump sums each time a part of the reserved land is converted to leased land for the power plant. The Company has leased out 6.390 square meters of the reserved land to APBH for its first phase of the project, that is, for the construction and installation of power engines with a total capacity of 20MW. Up to now the Company has fully collected the total land rental fees of USD 202,429.00 for the first phase of the project.

## 17. Revenues and costs:

For the year ended 31 Dec. 2011

	Services	RBFs	Power Station	Lease hold	Total
Revenue	77.358.135.489	63.061.568.315	1.522.695.723	38.565.425.735	180.507.825.262
Costs	(51.827.339.925)	(25.414.902.362)	(2.976.359.486)	(6.822.383.769)	(87.040.985.542)
<b>Gross income</b>	<b>25.530.795.564</b>	<b>37.646.665.953</b>	<b>(1.453.663.763)</b>	<b>31.743.041.966</b>	<b>93.466.839.720</b>

Cost of leasehold is computed based on collections made and is shown as follows

Allocated development cost	3.877.373.947
Allocated land use right	31.126.272
Land leasing cost	2.607.019.509
Other expenses	306.864.041
<b>Total</b>	<b>6.822.383.769</b>

## 18. Other income

For the year ended

	2011	2010
Interest income	57.056.740.766	15.893.844.767
Interest expenses	(228.217.993)	(157.547.187)
Foreign exchange gain (loss )	13.459.092.638	4.393.787.886
Other income	314.181.818	586.155.237
Other expenses	(15.650.277.443)	(36.697.598)
<b>Total</b>	<b>54.951.519.786</b>	<b>20.679.543.105</b>

## 19. Operating expenses

For the year ended

	2011	2010
Salaries and other benefits	11.114.730.323	8.622.059.701
Amortization of land use rights and development costs	2.187.208.064	3.330.646.367
Office rental	183.564.356	222.759.807
Depreciation	1.140.342.901	1.012.649.831
Advertising, promotion and commission	701.980.545	2.684.664.583



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## Notes to the Financial Statements

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	For the year ended	
	2011	2010
Representation and entertainment	1.277.950.644	1.135.885.351
Transportation and travel	1.469.669.944	1.268.186.526
Telephone and fax	329.248.282	239.397.089
Board meeting and allowances	432.543.178	532.949.206
Insurance	93.967.537	76.356.327
Taxes, licenses and fees	3.145.000	9.990.000
Land cost for remaining are	3.286.124.155	4.448.713.496
Prepaid expenses	2.662.965.175	(390.937.602)
Others	2.855.585.221	2.223.014.681
<b>Total</b>	<b>27.739.025.325</b>	<b>25.416.335.363</b>

## 20. Taxation

The provisions of the Company's investment license state that the Company has an obligation to pay the government for the following taxes:

- Corporate income tax at the rate of 10% of taxable income, but income tax for Other income and for land lease belong to phase 2D shall be enjoyed at the rate of 25%.
- Other taxes according to current regulations.

Computation of corporate income tax as follows:

	For the year ended	
	2011	2010
Net revenue of land lease	38.565.425.735	34.179.454.542
Cost of land lease	(9.009.591.833)	(6.463.380.274)
Allocation of operating expenses	(8.156.430.278)	(8.780.400.315)
Non deductible expenses based on Vietnamese tax law	2.857.220.896	4.341.850.382
Net taxable income	24.256.624.520	23.277.524.335
<b>Corporate income tax from land lease</b>	<b>4.183.303.270</b>	<b>5.441.749.207</b>
Net revenue of other services	141.942.399.527	123.406.894.758
Cost of other revenue	(80.218.601.773)	(73.504.392.353)
Allocation of operating expenses into taxable income	(14.732.421.808)	(13.696.226.283)
Non deductible expenses based on Vietnamese tax law	3.097.516.343	390.234.748
Net taxable other income (loss)	50.088.892.289	35.816.041.374
<b>Corporate income tax from other services</b>	<b>5.258.274.532</b>	<b>3.628.926.333</b>
Other income and expenses – net	54.951.519.786	20.679.543.158
Non deductible expenses based on Vietnamese tax law	6.998.194.255	(381.336.254)
Temporary difference in dertermine of taxable income	-	406.057.199
Net taxable income for Other income	61.949.714.041	20.704.264.130
<b>Corporate income tax from other income and expenses</b>	<b>15.487.428.510</b>	<b>5.176.066.025</b>
Land lease advanced from customers	20.453.669.264	(3.228.450.736)
<b>Temporary income tax payable at rate of 2%</b>	<b>(409.073.385)</b>	<b>(64.569.015)</b>
<b>Additional corporate income tax of the previous years</b>	<b>142.318.158</b>	<b>28.868.935</b>
<b>Total current corporate income tax</b>	<b>24.662.251.085</b>	<b>14.211.041.485</b>

## 21. Long-term lease commitments

- The Company has entered into a lease agreement with the Dong Nai Land Department for a land area of 225,35 hectares for phase 1- 2A & 2B at USD 1,000.00/hectare/year for the purpose of developing infrastructure facilities up to 2044. But more 33,35 hectares for phase 2B – 2D were handed over from Dongnai Land Dept. shall be paid about USD 3,000.00/ha per year, this rate is unchanged for the first 05 years, after that it will be adjusted in accordance with approval of the People's Committee of Dong Nai.

# Amata (Vietnam) Joint Stock Company

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## Notes to the Financial Statements

For the fiscal year ended 31 December 2011 (continued)

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In compliance with the Decision No.1817/TTg-KCN dated on 29/09/2010 by Prime Minister, land rental of 225,35 ha from the above contracts will be increased at the rate of 15% for each 05 years and having retroactive effect from 01 January 2006.

- b. A office leasing contract for the Company's office at 165 Nguyen Van Troi St., Phu Nhuan District., Ho Chi Minh City has been extended until 01 February 2012. The rental rate is 15.000.000 VND per month.

## 22. Financial instruments

### Foreign exchange risk management

The Company is also exposed to foreign exchange risks arising from cash holdings in foreign currencies (USD), arising from statutory requirement to convert certain portions of its cash holding to VND. The Company did not hedge its exposure to this foreign exchange risk as at 31 December 2011 due to the lack of market to accept such instruments. The total cash balance held in USD at 31 December 2011 and 31 December 2010 was USD 8,324,815.35 (~VND 173,39 billion ) and USD 9,690,113.73 (~VND 183,45 billion ), respectively.

The Company is exposed to foreign exchange risk on cash and payables arising from purchases denominated in Vietnamese dong and other currencies. The Company does not hedge its exposure to these foreign currency risks as the net outstanding amounts from these transactions are not significant.

### Credit risks

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate, the Company obtains security for outstanding amounts. The extent of the Company's credit exposure is represented by aggregate balance of amounts receivable. Counterparties to financial instruments consist mainly of customers. The Company does not expect any counterparties to fail to meet their obligations, given their high credit ratings. The Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The carrying amount and estimated fair value of the company financial instruments as follows:

	31 Dec. 2011		1 Jan. 2011	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Assets</b>				
Cash	653.889.546.171	653.889.546.171	398.727.569.216	398.727.569.216
Trade receivables	16.037.548.044	16.037.548.044	10.375.148.638	10.375.148.638
<b>Liabilities</b>				
Trade and other payables	36.311.100.694	36.311.100.694	20.556.856.216	20.556.856.216

## 23. Errors

In the previous year, the tax receivable was net off for the amount as in the statement of financial position. This classification has had the following effects on the comparative figures of the previous year:

	Previous year's audited figures	Adjusted figures
<b>Statement of financial position</b>		
Other current assets	10.192.322.251	22.797.548.645
Current taxes payable	-	12.605.226.394

## 24. Post-balance sheet events

There have been no significant events occurring after the statement of financial position date which would require adjustments or disclosures to be made in the financial statements.

## Amata (Vietnam) Joint Stock Company

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### Notes to the Financial Statements

For the fiscal year ended 31 December 2011 (continued)

All amounts are in VND

#### 25. Authorization of the financial statements for issue

These financial statements were authorised for issuance by the Management of Amata (Vietnam) Joint Stock Company on 18 January 2012.



  
**HUYNH NGOC PHIEN**  
President



**PHAM THI THANH HUONG**  
First Vice President



