

Cotec Construction Joint Stock Company

Financial statements

31 December 2012

Ernst & Young

 **ERNST & YOUNG**

Cotec Construction Joint Stock Company

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Cotec Construction Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Cotec Construction Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 4103002611 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 August 2004 and the following Amended Business Registration Certificates:

<u>Amended Business Registration Certificate No.</u>	<u>Date</u>
4103002611 – 1 st	10 January 2005
4103002611 – 2 nd	24 August 2006
4103002611 – 3 rd	24 October 2006
4103002611 – 4 th	5 June 2007
4103002611 – 5 th	20 August 2007
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4103002611 – 7 th	22 May 2009
0303443233 – 8 th	7 September 2009
0303443233 – 9 th	23 August 2010
0303443233 – 10 th	10 September 2010
0303443233 – 11 th	7 May 2012

The principal activities of the Company are to provide construction services, equipment installation, interior decoration and office leasing.

The Company's registered head office is located at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr. Nguyen Ba Duong	Chairman	
Mr. Tran Quang Tuan	Member	appointed on 22 May 2012
Mr. Tran Quang Quan	Member	appointed on 22 May 2012
Mr. Nguyen Thanh Oai	Member	appointed on 22 May 2012
Mr. Huynh Ba Thang Long	Member	appointed on 22 May 2012
Mr. Talgat Turumbayev	Member	appointed on 22 May 2012
Mr. Huynh Le Duc	Member	appointed on 22 May 2012
Mr. Nguyen Sy Cong	Member	resigned on 22 May 2012
Mr. Phan Huy Vinh	Member	resigned on 22 May 2012
Mr. Le Huy Phuong	Member	resigned on 22 May 2012
Ms. Ha Tieu Anh	Member	resigned on 22 May 2012

BOARD OF SUPERVISION

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

Ms. Nghiem Bach Huong	Head of Board of Supervision	appointed on 22 May 2012
Mr. Le Mien Thuy	Head of Board of Supervision	resigned on 22 May 2012
Mr. Tu Dai Phuc	Member	appointed on 22 May 2012
Mr. Nguyen Duc Canh	Member	appointed on 22 May 2012
Ms. Huynh Hong Mai	Member	resigned on 22 May 2012

Cotec Construction Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mr. Nguyen Ba Duong	General Director
Mr. Tran Quang Quan	Deputy General Director
Mr. Tran Quang Tuan	Deputy General Director
Mr. Tran Van Chinh	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Ba Duong.

AUDITORS

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

Cotec Construction Joint Stock Company

REPORT OF MANAGEMENT

Management of Cotec Construction Joint Stock Company ("the Company") is pleased to present its report and the financial statements of the Company for the year ended 31 December 2012.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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, management is required to:

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

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 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.

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2012 and of the results of its operations and its cash flows for year then ended in accordance with the Vietnamese Accounting Standards and System and comply with relevant statutory requirements.

For and on behalf of management:



Nguyen Ba Duong
General Director

8 March 2013

Reference: 60813343/15503933

INDEPENDENT AUDITOR'S REPORT

To: **The shareholders of Cotec Construction Joint Stock Company**

We have audited the financial statements of Cotec Construction Joint Stock Company ("the Company") as set out on pages 5 to 40 which comprise the balance sheet as at 31 December 2012, the income statement and the cash flow statement for the year then ended and the notes thereto.

The preparation and presentation of these financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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 the Company's management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2012, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.



Ernst & Young Vietnam Ltd.
Ernst & Young Vietnam Limited



Nguyen Xuan Dai
Deputy General Director
Certificate No. 0452/KTV



Le Vu Truong
Auditor
Certificate No. N.1588/KTV

Ho Chi Minh City, Vietnam

8 March 2013

BALANCE SHEET
as at 31 December 2012

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		3,047,895,090,991	1,786,937,269,122
110	I. Cash and cash equivalents	4	681,485,846,811	251,978,411,295
111	1. Cash		94,314,871,184	1,548,411,295
112	2. Cash equivalents		587,170,975,627	250,430,000,000
120	II. Short-term investments	5	515,339,420,000	4,900,450,000
121	1. Short-term investments		517,616,192,450	7,616,192,450
129	2. Provision short-term investments		(2,276,772,450)	(2,715,742,450)
130	III. Current accounts receivable		1,457,889,671,264	1,146,444,341,290
131	1. Trade receivables	6	1,447,503,573,573	1,124,378,275,130
132	2. Advances to suppliers		29,139,666,769	36,348,491,775
135	3. Other receivables	7	37,490,403,403	15,124,625,138
139	4. Provision for doubtful debts	6,7	(56,243,972,481)	(29,407,050,753)
140	IV. Inventories	8	383,854,553,819	365,171,565,093
141	1. Inventories		408,704,553,819	365,171,565,093
149	2. Provision for obsolete inventories		(24,850,000,000)	-
150	V. Other current assets		9,325,599,097	18,442,501,444
151	1. Short-term prepaid expenses		154,489,771	927,073,604
158	2. Other current assets	9	9,171,109,326	17,515,427,840
200	B. NON-CURRENT ASSETS		565,177,836,852	672,700,102,914
220	I. Fixed assets		226,953,954,136	258,012,263,037
221	1. Tangible fixed assets	10	138,599,650,290	166,753,187,696
222	Cost		266,499,895,843	260,917,726,271
223	Accumulated depreciation		(127,900,245,553)	(94,164,538,575)
227	2. Intangible fixed assets	11	88,214,332,027	89,487,685,283
228	Cost		92,280,510,590	92,260,160,590
229	Accumulated amortisation		(4,066,178,563)	(2,772,475,307)
230	3. Construction in progress	12	139,971,819	1,771,390,058
240	II. Investment properties	13	96,286,741,297	99,725,553,481
241	1. Cost		103,164,365,665	103,164,365,665
242	2. Accumulated depreciation		(6,877,624,368)	(3,438,812,184)
250	III. Long-term investments		111,812,313,409	116,334,313,409
252	1. Investments in associates	14.1	111,022,500,000	110,544,500,000
258	2. Other long-term investments	14.2	30,202,000,000	30,202,000,000
259	3. Provision for long-term investments	14	(29,412,186,591)	(24,412,186,591)
260	IV. Other long-term assets		130,124,828,010	198,627,972,987
261	1. Long-term prepaid expenses	15	125,565,391,034	196,340,204,129
262	2. Deferred tax assets	27.2	4,514,436,976	2,242,768,858
268	3. Other long-term assets		45,000,000	45,000,000
270	TOTAL ASSETS		3,613,072,927,843	2,459,637,372,036



BALANCE SHEET (continued)
as at 31 December 2012

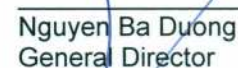
VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		1,535,073,008,814	1,022,086,984,716
310	I. Current liabilities		1,520,648,739,204	1,014,828,864,815
312	1. Trade payables	16	575,290,157,020	361,690,845,808
313	2. Advances from customers		81,791,209,675	95,770,303,738
314	3. Statutory obligations	17	43,101,396,504	61,343,815,664
316	4. Accrued expenses	18	628,009,600,025	340,298,260,443
319	5. Other payables	19	70,589,115,787	43,766,025,693
320	6. Short-term provision		6,439,049,691	3,084,951,914
323	7. Bonus and welfare fund		13,360,194,075	26,125,600,007
338	8. Unearned revenue	20	102,068,016,427	82,749,061,548
330	II. Non-current liabilities		14,424,269,610	7,258,119,901
333	1. Other long-term liabilities	21	14,424,269,610	7,258,119,901
400	B. OWNERS' EQUITY		2,077,999,919,029	1,437,550,387,320
410	I. Capital	22.1	2,077,999,919,029	1,437,550,387,320
411	1. Share capital		422,000,000,000	317,700,000,000
412	2. Share premium		869,140,000,000	456,900,000,000
414	3. Treasury shares		(1,741,460,000)	(1,741,460,000)
416	4. Foreign exchange differences reserve		-	(201,967,112)
417	5. Investment and development fund		381,467,132,588	297,041,491,648
418	6. Financial reserve fund		56,084,734,287	45,531,529,169
420	7. Undistributed earnings		351,049,512,154	322,320,793,615
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,613,072,927,843	2,459,637,372,036

OFF BALANCE SHEET ITEMS

ITEMS	Ending balance	Beginning balance
Foreign currencies:		
- United States dollar (US\$)	481	495
- Euro (EUR)	466	477


Vu Thi Hong Hanh
Preparer

Ha Tieu Anh
Chief Accountant

Nguyen Ba Duong
General Director

8 March 2013

INCOME STATEMENT
for the year ended 31 December 2012

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from rendering of services	23.1	4,477,276,306,689	4,509,632,778,509
02	2. Deductions	23.1	-	-
10	3. Net revenue from rendering of services	23.1	4,477,276,306,689	4,509,632,778,509
11	4. Cost of services rendered		(4,154,661,217,829)	(4,163,015,671,336)
20	5. Gross profit from rendering of services		322,615,088,860	346,617,107,173
21	6. Finance income	23.2	92,101,922,673	59,573,964,435
22	7. Finance expenses	24	(215,342,362)	(8,388,289,273)
23	<i>In which: Interest expense</i>		(444,017,567)	-
25	8. General and administrative expenses	25	(122,250,135,432)	(117,721,937,758)
30	9. Operating profit		292,251,533,739	280,080,844,577
31	10. Other income	26	7,455,586,871	15,504,380,040
32	11. Other expenses	26	-	(12,342,908,311)
40	12. Other profit	26	7,455,586,871	3,161,471,729
50	13. Profit before tax		299,707,120,610	283,242,316,306
51	14. Current corporate income tax expense	27.1	(83,451,331,013)	(71,468,385,352)
52	15. Deferred corporate income tax benefit	27.2	2,271,668,118	(709,828,603)
60	16. Net profit after tax		218,527,457,715	211,064,102,351
70	17. Basic earnings per share	29	5,596	6,812

Vu Thi Hong Hanh

Vu Thi Hong Hanh
Preparer

Ha Tieu Anh

Ha Tieu Anh
Chief Accountant



Nguyen Ba Duong
General Director

8 March 2013

CASH FLOW STATEMENT
for the year ended 31 December 2012

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		299,707,120,610	283,242,316,306
	Adjustments for:			
02	Depreciation and amortisation	10, 11, 13	38,468,222,418	39,810,882,864
03	Provisions		56,247,951,728	33,845,042,053
04	Unrealised foreign exchange losses	24	184,748,196	-
05	Profits from investing activities		(92,101,922,673)	(59,563,970,524)
06	Interest expense	24	444,017,567	-
08	Operating profit before changes in working capital		302,950,137,846	297,334,270,699
09	Increase in receivables		(311,331,125,208)	(662,548,710,132)
10	(Increase) decrease in inventories		(43,532,988,726)	75,537,979,370
11	Increase in payables		517,839,550,022	248,574,256,843
12	Decrease (increase) in prepaid expenses		71,547,396,928	(13,233,293,343)
13	Interest paid		(444,017,567)	-
14	Corporate income tax paid	27.1	(75,191,107,318)	(64,861,551,763)
15	Other cash inflows from operating activities		37,361,639,803	63,372,504,889
16	Other cash outflows from operating activities		(57,306,252,982)	(59,423,107,791)
20	Net cash flows from (used in) operating activities		441,893,232,798	(115,247,651,228)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(3,981,876,969)	(36,662,331,023)
23	Loans to other entities		(510,000,000,000)	-
24	Collections from borrowers		-	66,406,747,899
25	Payments for investments in other entities		(478,000,000)	-
26	Proceeds from sale of investments in other entities		-	14,400,000,000
27	Interest and dividends received		69,734,866,264	45,289,468,598
30	Net cash flows (used in) from investing activities		(444,725,010,705)	89,433,885,474
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of shares	22.1	516,540,000,000	20,400,000,000
32	Capital redemption		-	(1,739,900,000)
33	Drawdown of borrowings		300,000,000,000	-
34	Repayment of borrowings		(300,000,000,000)	-
36	Dividends paid to equity holders	22.2	(84,201,015,000)	(30,749,844,000)
40	Net cash flows from (used in) financing activities		432,338,985,000	(12,089,744,000)

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2012

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase (decrease) in cash and cash equivalents		429,507,207,093	(37,903,509,754)
60	Cash and cash equivalents at beginning of year	4	251,978,411,295	289,879,887,675
61	Impact of exchange rate fluctuation		228,423	2,033,374
70	Cash and cash equivalents at end of year	4	681,485,846,811	251,978,411,295



Vu Thi Hong Hanh
Preparer

Ha Tieu Anh
Chief Accountant

Nguyen Ba Duong
General Director

8 March 2013



NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2012

1. CORPORATE INFORMATION

Cotec Construction Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 4103002611 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 August 2004 and the following Amended Business Registration Certificates.

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The principal activities of the Company are to provide construction services, equipment installation, interior decoration and office leasing.

The Company's registered head office is located at 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 31 December 2012 was 578 (31 December 2011: 635).

2. BASIS OF PREPARATION

2.1 Accounting standards and system

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

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

Accordingly, the accompanying balance sheet, income statement, cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

2. BASIS OF PREPARATION (continued)

2.2 Applied accounting documentation system

The Company applied accounting documentation system is the General Journal.

2.3 Fiscal year

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

2.4 Accounting currency

The financial statements are prepared in VND which is also the Company's accounting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in accounting policies and disclosures

3.1.1 Effects of Changes in Foreign Exchange Rates

For the year ended 31 December 2012, the Company has adopted Vietnamese Accounting Standard No. 10 - Effects of Changes in Foreign Exchange Rates ("VAS 10") and Circular No. 179/2012/TT-BTC providing guidance on recognition, measurement, treatment for foreign exchange differences issued by the Ministry of Finance on 24 October 2012 ("Circular 179"). The VAS 10 and Circular 179 differs from the accounting policy adopted in prior year under Circular No. 201/2009/TT-BTC issued on 15 October 2009 by the Ministry of Finance (the "Circular 201") providing guidance for the treatment of foreign exchange differences relating to the recognition of unrealised foreign exchange differences as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 *Change in accounting policies and disclosures* (continued)

3.1.1 *Effects of Changes in Foreign Exchange Rates* (continued)

<i>Transaction</i>	<i>Accounting treatment under</i>	
	<i>VAS 10</i>	<i>Circular 201</i>
Translation of short-term monetary assets and liabilities denominated in foreign currencies at year end.	All unrealised foreign exchange differences are taken to the income statement.	All unrealised foreign exchange differences are taken to the "Foreign exchange differences reserve" account in the equity section of the balance sheet and will be reversed on the following year.
Translation of long-term monetary liabilities denominated in foreign currencies at year end.	All unrealised foreign exchange differences are taken to the income statement.	<ul style="list-style-type: none"> - All unrealised foreign exchange gains are taken to the income statement. - All foreign exchange losses will be charged to the income statement. However, if the charging of all foreign exchange losses results in net loss before tax for the Company, part of the exchange losses can be deferred and allocated to the income statement within the subsequent years. In any case, the total foreign exchange loss to be charged to current year's income statement must be at least equivalent to the foreign exchange losses arising from the translation of the current portion of the long-term liabilities, while the remaining portion of the foreign exchange losses can be deferred in the balance sheet and allocated to the income statement within the subsequent five years.

Circular 179

Exchange rate used for year end translation	Buying exchange rate announced at the balance sheet date by the commercial bank where the maintains bank accounts	Inter-bank exchange rates ruling at the balance sheet date
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The VAS 10 and Circular 179 are applied from 2012 on prospective basis. The impact of the change on the year end translation to the financial statements as at and for the year ended 31 December 2012 was not material as a whole.

3.2 *Cash and cash equivalents*

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Inventories

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

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

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

Raw materials	- cost of purchase on a weighted average basis.
Work-in-process	- cost of direct materials and labour plus attributable construction overheads.

Provision for obsolete inventories

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

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

3.4 Receivables

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

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded as general and administrative expense in the income statement.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

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

3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, their costs and accumulated amortisation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible fixed assets* (continued)

Land use rights

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

3.7 *Depreciation and amortisation*

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

Buildings & structures	6 - 30 years
Machinery & equipment	3 - 10 years
Means of transportation	3 - 8 years
Office equipment	3 - 5 years
Computer software	3 years
Accounting software	3 years
Land use rights	49 years

3.8 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.

Depreciation of investment properties is calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings	30 years
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Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.9 *Leased assets*

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Leased assets* (continued)

Where the Company is the lessee

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

Where the Company is the lessor

Assets subject to operating leases are included as the Company's investment property in the balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the income statement as incurred.

Lease income is recognised in the income statement on a straight-line basis over the lease term.

3.10 *Prepaid expenses*

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

Tools and supplies used for construction are amortised to the income statement over the period of three (3) to five (5) years on the straight-line basis.

3.11 *Short-term investments*

Short-term investments are stated at their acquisition cost less provision where appropriate. A provision for the diminution in value of investments is created representing the excess of the acquisition cost over the market value at the end of year.

3.12 *Investment in associates*

Investments in associates over which the Company has significant influence are accounted for under the cost method of accounting. Distributions from the accumulated net profits of the associates arising subsequent to the date of acquisition by the Company are recognised as income in the income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

3.13 *Investments in securities and other investments*

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

3.14 *Payables and accruals*

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Accrual for severance allowance pay*

The severance pay to employee is accrued at the end of each reporting period for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the balance sheet date. Any changes to the accrued amount will be taken to the income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 42 of the Labour Code.

3.16 *Provisions*

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.17 *Foreign currency transactions*

The Company adopted VAS 10 and Circular 179 in relation to foreign currency transactions from the year 2012.

Transactions in currencies other than the Company's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at exchange rate announced by the commercial bank where the Company maintains bank accounts at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the income statement.

The above guidance related to unrealised foreign exchange differences provided by VAS 10 is different from those stipulated in the Circular 201 as applied by the Company from 2011 backwards. Differences between VAS 10/Circular 179 and Circular 201 and the impact of the change to the 2012 financial statements were not material as a whole as presented in Note 3.1.1.

3.18 *Basic earnings per share*

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary shareholders, before appropriation for funds by the weighted average number of ordinary outstanding shares during the year, where applicable.

3.19 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *Appropriation of net profits*

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

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

Financial reserve fund

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

Investment and development fund

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

Bonus and welfare fund

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

3.21 *Revenue recognition*

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

Construction contracts

For the construction contracts specifying that the contractor will receive payments according to the completed work, where the outcome of a construction contract can be determined reliably and accepted by the customers, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date which is accepted by the customers and reflected in the sales invoices.

For the construction contracts specifying that the progress payments are made as originally agreed, where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

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

Rental income

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

Interest

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

Dividend

Revenue is recognised when the Company is entitled to receive dividends.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Taxation

Current income tax

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

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

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

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

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

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

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

3.23 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Company's revenue and profit are derived mainly from construction services rendered in Vietnam while other sources of revenue are not material as a whole, management accordingly believes that the Company operates in a sole business segment of providing construction services. Geographical segment of the Company is in Vietnam only.



NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Financial instruments

Financial instruments – initial recognition and presentation

Financial assets

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

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

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan receivables and quoted and unquoted financial instruments.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

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

The Company's financial liabilities include trade and other payables.

Financial instruments – subsequent re-measurement

There is currently no guidance in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	54,541,675	12,144,466
Cash in banks	94,260,329,509	1,536,266,829
Cash equivalents	587,170,975,627	250,430,000,000
TOTAL	<u>681,485,846,811</u>	<u>251,978,411,295</u>

Cash equivalents mainly represent bank deposits with maturity of less than 3 months which are readily convertible into known amount of cash without any significant risk of changes in value, and earn an interest at the rates from 8% to 11% per annum.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

5. SHORT-TERM INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term investment securities	7,616,192,450	7,616,192,450
Other short-term investments	510,000,000,000	-
Provision for short-term investments	<u>(2,276,772,450)</u>	<u>(2,715,742,450)</u>
Net	<u>515,339,420,000</u>	<u>4,900,450,000</u>

5.1. Short-term investment securities

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Quantity</i>	<i>Value</i>	<i>Quantity</i>	<i>Value</i>
Investment in listed companies:				
Hoa Binh Rubber Joint Stock Company	20,950	2,051,942,650	20,950	2,051,942,650
Dong Phu Rubber Joint Stock Company	10,550	637,871,300	10,550	637,871,300
PetroVietnam Fertilizer and Chemicals Company	45,000	2,542,808,500	45,000	2,542,808,500
Vietnam Dairy Products Joint Stock Company	60,000	<u>2,383,570,000</u>	60,000	<u>2,383,570,000</u>
TOTAL		7,616,192,450		7,616,192,450
<i>Provision for diminution in short-term investment securities</i>		<u>(2,276,772,450)</u>		<u>(2,715,742,450)</u>
NET		<u>5,339,420,000</u>		<u>4,900,450,000</u>

5.2. Other short-term investments

Other short-term investments include deposits in commercial banks with a term of three months or more and earn an interest at the rate of 11% p.a.

6. TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Third parties	1,320,384,644,263	1,024,023,032,627
Related parties (Note 28)	<u>127,118,929,310</u>	<u>100,355,242,503</u>
TOTAL	1,447,503,573,573	1,124,378,275,130
Provision for doubtful debts	<u>(55,182,008,195)</u>	<u>(29,407,050,753)</u>
NET	<u>1,392,321,565,378</u>	<u>1,094,971,224,377</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

6. **TRADE RECEIVABLES** (continued)

Details of increase or decrease in provision for doubtful debts:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	29,407,050,753	-
Provison created during the year	<u>25,774,957,442</u>	<u>29,407,050,753</u>
Ending balance	<u>55,182,008,195</u>	<u>29,407,050,753</u>

7. **OTHER RECEIVABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Related parties (Note 28)	13,973,879,495	11,957,879,495
Interest receivable	23,491,004,361	3,139,947,952
Others	<u>25,519,547</u>	<u>26,797,691</u>
TOTAL	<u>37,490,403,403</u>	<u>15,124,625,138</u>
Provision for doubtful debts	<u>(1,061,964,286)</u>	<u>-</u>
NET	<u>36,428,439,117</u>	<u>15,124,625,138</u>

8. **INVENTORIES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Work in process	408,704,553,819	365,171,565,093
Provision for inventories	<u>(24,850,000,000)</u>	<u>-</u>
NET	<u>383,854,553,819</u>	<u>365,171,565,093</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012**8. INVENTORIES** (continued)

The details of work in progress of on-going construction projects are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tricon Tower	73,438,243,737	68,147,769,259
Diamond Island	49,386,391,147	33,181,292,296
Ho Chi Minh Stock Exchange Building	35,269,168,789	-
Eurowindows Tower	33,599,791,226	20,060,486,394
Hanosimex Ha Nam Garment	22,431,448,279	-
Mandarin – Phase C&D	22,237,132,123	48,237,918,270
Power Construction installation No.1's apartment	22,182,733,013	-
Viglacera Tower	21,627,338,477	19,635,764,552
Kenton Tower	15,248,486,530	34,464,334,970
Others	113,283,820,498	141,443,999,352
TOTAL	<u>408,704,553,819</u>	<u>365,171,565,093</u>

9. OTHER CURRENT ASSETS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to construction teams and employees	7,142,026,804	12,101,219,867
Deposits	2,029,082,522	5,414,207,973
TOTAL	<u>9,171,109,326</u>	<u>17,515,427,840</u>

Cotec Construction Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

10. TANGIBLE FIXED ASSETS

VND

Total

	<i>Buildings & structures</i>	<i>Machinery & equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	
Cost:						
Beginning balance	70,225,079,763	161,612,359,531	18,271,081,343	10,706,594,654	102,610,980	260,917,726,271
Newly purchased	-	2,337,861,491	127,272,727	961,300,084	-	3,426,434,302
Transferred from construction in progress	2,155,735,270	-	-	-	-	2,155,735,270
Ending balance	<u>72,380,815,033</u>	<u>163,950,221,022</u>	<u>18,398,354,070</u>	<u>11,667,894,738</u>	<u>102,610,980</u>	<u>266,499,895,843</u>
<i>In which:</i>						
<i>Fully depreciated</i>	-	12,424,880,549	743,797,875	270,018,793	-	13,438,697,217
Accumulated depreciation:						
Beginning balance	(7,238,066,848)	(76,150,277,850)	(5,698,414,891)	(5,045,713,036)	(32,065,950)	(94,164,538,575)
Depreciation for the year	<u>(4,423,948,199)</u>	<u>(23,920,012,568)</u>	<u>(2,452,267,117)</u>	<u>(2,913,826,334)</u>	<u>(25,652,760)</u>	<u>(33,735,706,978)</u>
Ending balance	<u>(11,662,015,047)</u>	<u>(100,070,290,418)</u>	<u>(8,150,682,008)</u>	<u>(7,959,539,370)</u>	<u>(57,718,710)</u>	<u>(127,900,245,553)</u>
Net carrying amount:						
Beginning balance	<u>62,987,012,915</u>	<u>85,462,081,681</u>	<u>12,572,666,452</u>	<u>5,660,881,618</u>	<u>70,545,030</u>	<u>166,753,187,696</u>
Ending balance	<u>60,718,799,986</u>	<u>63,879,930,604</u>	<u>10,247,672,062</u>	<u>3,708,355,368</u>	<u>44,892,270</u>	<u>138,599,650,290</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

11. INTANGIBLE FIXED ASSETS

	VND			
	<i>Land use rights</i>	<i>Computer software</i>	<i>Accounting software</i>	<i>Total</i>
Cost:				
Beginning balance	89,367,812,334	2,417,568,469	474,779,787	92,260,160,590
Newly purchased	-	20,350,000	-	20,350,000
Ending balance	<u>89,367,812,334</u>	<u>2,437,918,469</u>	<u>474,779,787</u>	<u>92,280,510,590</u>
Accumulated amortisation:				
Beginning balance	(1,437,209,499)	(1,052,724,778)	(282,541,030)	(2,772,475,307)
Amortisation for the year	<u>(517,928,496)</u>	<u>(655,859,825)</u>	<u>(119,914,935)</u>	<u>(1,293,703,256)</u>
Ending balance	<u>(1,955,137,995)</u>	<u>(1,708,584,603)</u>	<u>(402,455,965)</u>	<u>(4,066,178,563)</u>
Net carrying value:				
Beginning balance	<u>87,930,602,835</u>	<u>1,364,843,691</u>	<u>192,238,757</u>	<u>89,487,685,283</u>
Ending balance	<u>87,412,674,339</u>	<u>729,333,866</u>	<u>72,323,822</u>	<u>88,214,332,027</u>

Land use rights include the cost of land use rights with carrying amount of VND 64,662,555,400 which are indefinite and accordingly not amortised.

12. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Warehouses	<u>139,971,819</u>	<u>1,771,390,058</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

13. INVESTMENT PROPERTIES

	VND
	<i>Office building</i>
Cost:	
Beginning and ending balance	<u>103,164,365,665</u>
Accumulated depreciation:	
Beginning balance	(3,438,812,184)
Depreciation for the year	<u>(3,438,812,184)</u>
Ending balance	<u>(6,877,624,368)</u>
Net carrying amount:	
Beginning balance	<u>99,725,553,481</u>
Ending balance	<u>96,286,741,297</u>

The fair value of the investment properties was not formally assessed and determined as at 31 December 2012. However, given the present occupancy rate of these properties, it is management's assessment that these properties' market values are higher than their carrying value as at the balance sheet date.

14. LONG-TERM INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investments in associates	111,022,500,000	110,544,500,000
Other long-term investments	30,202,000,000	30,202,000,000
<i>Securities</i>	25,202,000,000	25,202,000,000
<i>Other long-term investments</i>	5,000,000,000	5,000,000,000
Provision for long-term investments in:	(29,412,186,591)	(24,412,186,591)
<i>Associates</i>	(912,186,591)	(912,186,591)
<i>Long-term investments in securities</i>	(23,500,000,000)	(23,500,000,000)
<i>Other long-term investments</i>	<u>(5,000,000,000)</u>	<u>-</u>
NET	<u>111,812,313,409</u>	<u>116,334,313,409</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

14. LONG-TERM INVESTMENTS (continued)

14.1 Investments in associates

As at 31 December 2012, the details of investments in associates are as follows:

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>% of interest</i>	<i>Amount (VND)</i>	<i>% of interest</i>	<i>Amount (VND)</i>
Uy Nam Investment & Construction Joint Stock Company	31	22,242,500,000	31	22,242,500,000
Phu Hung Gia Construction & Investment Joint Stock Company	20.16	20,160,000,000	20.16	20,160,000,000
Quang Trong Commercial Joint Stock Company	36	18,000,000,000	36	18,000,000,000
Phu Gia An Investment Joint Stock Company	39	44,620,000,000	39	44,142,000,000
Trieu Hung Gia Construction Investment Joint Stock Company	30	6,000,000,000	30	6,000,000,000
TOTAL		111,022,500,000		110,544,500,000

Uy Nam Investment Construction Joint Stock Company ("Uy Nam") is a shareholding company established in accordance with Business Registration Certificate No. 4103005020 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 14 July 2006. Uy Nam's principal activities are to provide construction services, instalment and repair of civil and industrial works.

Phu Hung Gia Construction & Investment Joint Stock Company ("Phu Hung Gia") is a shareholding company established in accordance with Business Registration Certificate No. 4103002810 issued by the DPI of Ho Chi Minh City on 27 October 2005. Phu Hung Gia's principal activities are to provide civil and industrial construction services and trade real estate.

Quang Trong Commercial Joint Stock Company ("Quang Trong") is a shareholding company established in accordance with Business Registration Certificate No. 4903000474 issued by the DPI of Ba Ria – Vung Tau Province on 18 December 2007. Quang Trong's principal activities are to trade real estate and provide project management.

Phu Gia An Investment Joint Stock Company ("Phu Gia An") is a shareholding company established in accordance with Business Registration Certificate No. 4103006924 issued by the DPI of Ho Chi Minh City on 5 June 2007. Phu Gia An's principal activities are to trade real estate and provide project management.

Trieu Hung Gia Construction & Investment Joint Stock Company ("Trieu Hung Gia") is a shareholding company established in accordance with Business Registration Certificate No. 4103009051 issued by the DPI of Ho Chi Minh City on 11 January 2008. Trieu Hung Gia's principal activities are to trade real estate and provide project management.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

14. LONG-TERM INVESTMENTS (continued)

14.2 Other long-term investments

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>No. of shares</i>	<i>Value (VND)</i>	<i>No. of shares</i>	<i>Value (VND)</i>
<i>Investments in joint stock companies</i>				
I.P.A Investment Corporation	500,000	25,000,000,000	500,000	25,000,000,000
Construction Investment Joint Stock Company No. 5	20,000	202,000,000	20,000	202,000,000
<i>Loans</i>				
Vitaly Joint Stock Company		<u>5,000,000,000</u>		<u>5,000,000,000</u>
TOTAL		<u>30,202,000,000</u>		<u>30,202,000,000</u>

15. LONG-TERM PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tools & supplies used for construction works	124,909,211,298	194,708,907,448
Others	<u>656,179,736</u>	<u>1,631,296,681</u>
TOTAL	<u>125,565,391,034</u>	<u>196,340,204,129</u>

16. TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Third parties	429,326,794,486	323,496,707,422
Related parties (Note 28)	<u>145,963,362,534</u>	<u>38,194,138,386</u>
TOTAL	<u>575,290,157,020</u>	<u>361,690,845,808</u>

17. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax (Note 27.1)	29,475,076,465	21,214,852,770
Personal income tax	9,443,704,318	13,734,843,270
Value-added tax	<u>4,182,615,721</u>	<u>26,394,119,624</u>
TOTAL	<u>43,101,396,504</u>	<u>61,343,815,664</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

18. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cost of construction projects	627,785,600,025	340,172,044,443
Others	224,000,000	126,216,000
TOTAL	<u>628,009,600,025</u>	<u>340,298,260,443</u>

19. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payable to construction teams	49,571,441,597	43,493,192,359
Dividend payables	168,291,950	102,618,950
Others	20,849,382,240	170,214,384
TOTAL	<u>70,589,115,787</u>	<u>43,766,025,693</u>

20. UNEARNED REVENUE

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Unearned revenue from construction works	100,960,754,815	81,499,429,172
Unearned revenue from office leasing	1,107,261,612	1,249,632,376
TOTAL	<u>102,068,016,427</u>	<u>82,749,061,548</u>

21. OTHER LONG-TERM PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Long-term deposits received	4,174,313,599	3,777,779,516
Severance allowance	10,249,956,011	3,480,340,385
TOTAL	<u>14,424,269,610</u>	<u>7,258,119,901</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

22. OWNERS' EQUITY

22.1 Increase and decrease in owners' equity

								VND
	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings	Foreign exchange differences reserve	Total
Previous year								
Beginning balance	307,500,000,000	446,700,000,000	(1,560,000)	200,910,643,252	33,515,173,120	280,186,451,808	(224,177,657)	1,268,586,530,523
Increase in capital	10,200,000,000	10,200,000,000	-	-	-	-	-	20,400,000,000
Net profit for the year	-	-	-	-	-	211,064,102,351	-	211,064,102,351
Profit appropriation	-	-	-	-	-	-	-	-
Transfer to funds	-	-	-	96,130,848,396	12,016,356,049	(108,147,204,445)	-	-
Transfer to bonus and welfare fund	-	-	-	-	-	(30,032,712,099)	-	(30,032,712,099)
Treasury shares	-	-	(1,739,900,000)	-	-	-	-	(1,739,900,000)
Dividend declared	-	-	-	-	-	(30,749,844,000)	-	(30,749,844,000)
Foreign exchange differences	-	-	-	-	-	-	22,210,545	22,210,545
Ending balance	<u>317,700,000,000</u>	<u>456,900,000,000</u>	<u>(1,741,460,000)</u>	<u>297,041,491,648</u>	<u>45,531,529,169</u>	<u>322,320,793,615</u>	<u>(201,967,112)</u>	<u>1,437,550,387,320</u>
Current year								
Beginning balance	317,700,000,000	456,900,000,000	(1,741,460,000)	297,041,491,648	45,531,529,169	322,320,793,615	(201,967,112)	1,437,550,387,320
Increase in capital	104,300,000,000	417,200,000,000	-	-	-	-	-	521,500,000,000
Issuance cost	-	(4,960,000,000)	-	-	-	-	-	(4,960,000,000)
Net profit for the year	-	-	-	-	-	218,527,457,715	-	218,527,457,715
Profit appropriation	-	-	-	-	-	-	-	-
Transfer to funds	-	-	-	84,425,640,940	10,553,205,118	(94,978,846,058)	-	-
Transfer to bonus and welfare fund	-	-	-	-	-	(10,553,205,118)	-	(10,553,205,118)
Dividends declared	-	-	-	-	-	(84,266,688,000)	-	(84,266,688,000)
Foreign exchange differences	-	-	-	-	-	-	201,967,112	201,967,112
Ending balance	<u>422,000,000,000</u>	<u>869,140,000,000</u>	<u>(1,741,460,000)</u>	<u>381,467,132,588</u>	<u>56,084,734,287</u>	<u>351,049,512,154</u>	<u>-</u>	<u>2,077,999,919,029</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

22. OWNERS' EQUITY (continued)

22.1 Increase and decrease in owners' equity (continued)

During the year, the Company issued 10,430,000 ordinary shares to its strategic shareholders in accordance with the approved Shareholders' Resolution No. 07-2011/NQ-DHCD dated 21 April 2011, the Board of Director's Resolutions No. 01/NQ-HDQT and No.02/NQ-HDQT dated 12 March 2012.

The transaction has been completed on 18 April 2012, with the total new shares issued of 10,430,000 at the price of VND 50,000 per share to the strategic investor. Subsequently, the Company's registered charter capital has been increased from VND 317,700,000,000 to VND 422,000,000,000 as approved by the Department of Planning and Investment of Ho Chi Minh City in the Amended Business Registration Certificate No. 0303443233 (11th amended) on 7 May 2012.

22.2 Capital transactions with owners and distribution of dividends

	VND	
	Current year	Previous year
Contributed share capital		
Beginning balance	317,700,000,000	307,500,000,000
Increase	104,300,000,000	10,200,000,000
Ending balance	<u>422,000,000,000</u>	<u>317,700,000,000</u>
Dividends declared	84,266,688,000	30,749,844,000
Dividends paid	(84,201,015,000)	(30,749,844,000)

22.3 Shares

	VND	
	Ending balance	Beginning balance
Shares authorised to be issued	42,200,000	31,770,000
Shares issued and fully paid	42,200,000	31,770,000
<i>Ordinary shares</i>	42,200,000	31,770,000
Treasury shares	(66,656)	(66,656)
<i>Ordinary shares</i>	(66,656)	(66,656)
Outstanding shares	42,133,344	31,703,344
<i>Ordinary shares</i>	42,133,344	31,703,344



NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

23. REVENUE**23.1 Revenue from rendering of services**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Rendering of construction services	4,420,474,402,697	4,470,625,160,245
Rental of construction equipment	33,702,304,452	19,722,852,125
Rental of office building	23,099,599,540	19,284,766,139
NET	<u>4,477,276,306,689</u>	<u>4,509,632,778,509</u>

23.2 Finance income

	VND	
	<i>Current year</i>	<i>Previous year</i>
Bank interest income	68,831,676,874	36,299,335,108
Late payment interest	16,710,445,799	5,381,806,577
Dividend earned	6,559,800,000	3,455,556,112
Gain on disposal of investment	-	14,400,000,000
Others	-	37,266,638
TOTAL	<u>92,101,922,673</u>	<u>59,573,964,435</u>

24. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Loan interest	444,017,567	-
(Reversal) provision diminution in value of investments	(438,970,000)	4,437,991,300
Unrealised realised foreign exchange losses	184,748,196	-
Realised foreign exchange losses	25,546,599	5,994,931
Dividend refunded	-	3,944,303,042
TOTAL	<u>215,342,362</u>	<u>8,388,289,273</u>

25 ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labour costs	53,851,199,993	56,661,540,685
Depreciation and amortisation	15,377,288,904	13,173,728,815
Provision expense	26,836,921,728	29,407,050,753
Expenses for external services	4,589,913,297	3,054,519,026
Other expenses	21,594,811,510	15,425,098,479
TOTAL	<u>122,250,135,432</u>	<u>117,721,937,758</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012**26. OTHER INCOME AND EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Other income	7,455,586,871	15,504,380,040
Reversal of over accrual for construction expenses	1,698,002,213	75,061,868
Reversal of warranty expense	1,689,494,706	513,363,243
Proceeds from disposal of tools and supplies	755,480,000	2,444,900,247
Proceeds from sale of raw materials	-	10,283,701,879
Others	3,312,609,952	2,187,352,803
Other expenses	-	(12,342,908,311)
Cost of sold raw materials	-	(10,052,244,311)
Cost of disposal of tools and supplies	-	(2,290,664,000)
NET	<u>7,455,586,871</u>	<u>3,161,471,729</u>

27. CORPORATE INCOME TAX

The statutory Corporate Income Tax ("CIT") rate applicable to the Company is 25% of taxable profits.

The tax returns filed by Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

27.1 Current CIT expense

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	(83,416,974,114)	(71,362,319,057)
Adjustment for under accrual of tax from prior year	(34,356,899)	(106,066,295)
TOTAL	<u>(83,451,331,013)</u>	<u>(71,468,385,352)</u>

The current tax payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the 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 not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

27. CORPORATE INCOME TAX (continued)

27.1 Current CIT expense (continued)

	VND	
	Current year	Previous year
Profit before tax	299,707,120,610	283,242,316,306
<i>Adjustments to increase (decrease) in accounting profit</i>		
Non-deductible expenses	36,405,341,184	8,501,830,444
Change in accrual for severance allowance	6,769,615,626	-
Share issuance cost	(4,960,000,000)	
Dividend earned	(6,559,800,000)	(3,455,556,112)
Unrealised foreign exchange gain	(11,437,807)	-
Change in taxable profit of unearned revenue	2,317,056,842	(2,839,314,411)
Estimated current taxable profit	333,667,896,455	285,449,276,227
Current CIT expense	83,416,974,114	71,362,319,057
CIT payable at beginning of year	21,214,852,770	14,608,019,181
Adjustment for under accrual of tax from prior years	34,356,899	106,066,295
CIT paid during the year	(75,191,107,318)	(64,861,551,763)
CIT payable at end of year	29,475,076,465	21,214,852,770

27.2 Deferred CIT

The following is the major deferred tax asset recognised by the Company as at the balance sheet date.

	Balance sheet		Charge to income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Profit of unearned revenue	1,951,947,973	1,372,683,762	579,264,211	(709,828,603)
Accrual for severance allowance	2,562,489,003	870,085,096	1,692,403,907	-
	4,514,436,976	2,242,768,858		
Deferred income tax benefit (expenses)			2,271,668,118	(709,828,603)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

28. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>VND</i>
			<i>Amount</i>
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction cost	372,496,580,417
		Construction services	48,697,599,467
		Equipment rental	12,582,555,665
		Dividend received	2,016,000,000
Uy Nam Investment Construction Joint Stock Company	Associate	Construction cost	382,262,854,405
		Office rental	4,665,767,377
		Rental of equipment	12,466,360,866
		Dividend received	3,943,200,000

The outstanding balances due from and due to related parties as at 31 December 2012 as follows:

	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>
			<i>Receivable (payable)</i>
Trade receivables			
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction cost, rental fee of machinery and equipment	121,096,860,030
Uy Nam Investment Construction Joint Stock Company	Associate	Office rental, rental fee of machinery and equipment	6,022,069,280
			<u>127,118,929,310</u>
Other receivables			
Phu Gia An Investment Joint Stock Company	Associate	Loan interest	11,957,879,495
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Dividend received	2,016,000,000
			<u>13,973,879,495</u>
Trade payables			
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction cost and purchase of material	74,888,120,591
Uy Nam Investment Construction Joint Stock Company	Associate	Construction cost and purchase of material	71,075,241,943
			<u>145,963,362,534</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

29. BASIC EARNINGS PER SHARE

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

	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	218,527,457,715	211,064,102,351
Weighted average number of ordinary shares during the year	39,047,207	30,984,681
Basic earnings per share (VND)	5,596	6,812

30. OPERATING LEASE COMMITMENTS

Operating lease commitments represent committed amounts relating to office and warehouse lease under the operating lease agreement. Future rental amounts due as at 31 December 2012 are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	668,110,170	654,650,075
From 1-5 years	-	197,006,845
TOTAL	<u>668,110,170</u>	<u>851,656,920</u>

In addition, the Company leases out its Coteccons Building property under operating lease agreement. The future minimum rental receivable as at 31 December 2012 under the operating lease agreements is as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	18,204,470,831	21,124,128,338
From 1 to 5 years	22,972,514,758	41,467,775,281
TOTAL	<u>41,176,985,589</u>	<u>62,591,903,619</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company also holds available-for-sale investment. The Company does not hold or issue derivative financial instruments.

The Company is exposed to market risk, commodity price risk, credit risk and liquidity risk.

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

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's cash and short-term deposits. These investments are mainly short term in nature and they are not held for speculative purposes.

The Company manages interest rate risk by looking at the competitive structure of the market to obtain rates which are favorable for its purposes within its risk management limits.

No analysis on interest sensitivity was performed for the year ended 31 December 2012 since the Company's term deposits are fixed interest rate..

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk in relation to purchases and rendering of service which are denominated in currencies other than its accounting currency as disclosed in Note 2.4. The Company manages its foreign currency exposure by considering the prevailing and expected market situation when it plans for future purchases and sales of goods denominated in foreign currencies, other than increasing natural-hedged proportion. The Company does not employ any derivative financial instruments to hedge its foreign currency exposure.

No analysis on interest sensitivity was performed for the year ended 31 December 2012 since the Company's purchases and rendering of service were mainly denominated in VND during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Equity price risk

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

At the reporting date, the exposure to listed equity securities at fair value was VND 5,339,420,000 (31 December 2011: VND 4,900,450,000). A decrease of 10% on the stock market index could have an impact of approximately by VND 533,942,000 (31 December 2011: VND 490,045,000) on the Company's profit before tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would have an impact on Company's profit before tax appropriately by VND 533,942,000 (31 December 2011: VND 490,045,000).

Commodity price risk

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

Credit risk

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

Trade receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. The Company seeks to maintain strict control over its outstanding receivables to minimize credit risk. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Company's management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity risk by maintain a level of cash and cash equivalents to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual discounted payments:

	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>VND</i> <i>Total</i>
31 December 2012			
Trade payables	575,290,157,020	-	575,290,157,020
Other payables and accrued expenses	<u>698,598,715,812</u>	<u>4,174,313,599</u>	<u>702,773,029,411</u>
	<u>1,273,888,872,832</u>	<u>4,174,313,599</u>	<u>1,278,063,186,431</u>
31 December 2011			
Trade payables	361,690,845,808	-	361,690,845,808
Other payables and accrued expenses	<u>384,064,286,136</u>	<u>3,777,779,516</u>	<u>387,842,065,652</u>
	<u>745,755,131,944</u>	<u>3,777,779,516</u>	<u>749,532,911,460</u>

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available to finance for its debt maturing within 12 months.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements.

VND

	Carrying amount				Fair value	
	31 December 2012		31 December 2011		31 December 2012	31 December 2011
	Cost	Provision	Cost	Provision		
Financial assets						
Available for sell	32,818,192,450	(25,776,772,450)	32,818,192,450	(26,215,742,450)	7,041,420,000	6,602,450,000
- Listed shares	7,616,192,450	(2,276,772,450)	7,616,192,450	(2,715,742,450)	5,339,420,000	4,900,450,000
- Unlisted shares	25,202,000,000	(23,500,000,000)	25,202,000,000	(23,500,000,000)	1,702,000,000	1,702,000,000
Other short-term investments	510,000,000,000	-	-	-	510,000,000,000	-
Trade receivables	1,320,384,644,263	(55,182,008,195)	1,024,023,032,627	(29,407,050,753)	1,265,202,636,068	994,615,981,874
Receivable from related parties	141,092,808,805	-	112,313,121,998	-	141,092,808,805	112,313,121,998
Other receivables	25,545,606,430	(1,061,964,286)	7,037,581,616	-	24,483,642,144	7,037,581,616
Other non-current financial assets	5,045,000,000	(5,000,000,000)	5,045,000,000	-	45,000,000	5,045,000,000
Cash and cash equivalents	681,485,846,811	-	251,978,411,295	-	681,485,846,811	251,978,411,295
TOTAL	2,716,372,098,759	(87,020,744,931)	1,433,215,339,986	(55,622,793,203)	2,629,351,353,828	1,377,592,546,783
Financial liabilities						
Trade payables	429,326,794,486	-	323,496,707,422	-	429,326,794,486	323,496,707,422
Payable to related parties	145,963,362,534	-	38,194,138,386	-	145,963,362,534	38,194,138,386
Other current financial liabilities	698,598,715,812	-	384,064,286,136	-	698,598,715,812	384,064,286,136
Other non-current financial liabilities	4,174,313,599	-	3,777,779,516	-	4,174,313,599	3,777,779,516
TOTAL	1,278,063,186,431	-	749,532,911,460	-	1,278,063,186,431	749,532,911,460

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2012

32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

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

- The fair values of listed shares have been determined based on their closing price in the Ho Chi Minh Stock Exchange ("HOSE") as at the balance sheet date.
- Fair values of un-listed shares, which have active market, are the average price quoted by three independent securities companies as at the balance sheet date.
- Except for items noted in preceding paragraph the fair values of the financial assets and liabilities had not yet been formally assessed and determined as at 31 December 2012 and 31 December 2011. However, it is management's assessment that the fair values of these financial assets and liabilities are approximately the same as their carrying value as at balance sheet date.

33. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the balance sheet have been reclassified to reflect the presentation of the current year's financial statements.

	<i>31 December 2011 (previously presented)</i>	<i>Reclassification</i>	<i>31 December 2011 (reclassified)</i>
BALANCE SHEET			
Other long-term liabilities	3,777,779,516	3,480,340,385	7,258,119,901
Provision for retrenchment allowance	3,480,340,385	(3,480,340,385)	-

As at 31 December 2011, the accrual for severance pay following Article 42 of the Labour code is presented under the same caption in the balance sheet with provision for retrenchment allowance. Starting from 2012, the balance of provision for retrenchment allowance at the year ended should be nil following the guidance in Circular 180/2012/TT-BTC. Therefore, the accrual for severance pay is reclassified to Other Long-term Liabilities to suit current year presentation.


34. 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.


Vu Thi Hong Hanh
Preparer


Ha Tieu Anh
Chief Accountant




Nguyen Ba Duong
General Director

8 March 2013