

**Cotec Construction Joint Stock Company**

Separate financial statements

31 December 2014



**EY**

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# 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 <sup>st</sup>	10 January 2005
4103002611 – 2 <sup>nd</sup>	24 August 2006
4103002611 – 3 <sup>rd</sup>	24 October 2006
4103002611 – 4 <sup>th</sup>	5 June 2007
4103002611 – 5 <sup>th</sup>	20 August 2007
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4103002611 – 7 <sup>th</sup>	22 May 2009
0303443233 – 8 <sup>th</sup>	7 September 2009
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0303443233 – 10 <sup>th</sup>	10 September 2010
0303443233 – 11 <sup>th</sup>	7 May 2012
0303443233 – 12 <sup>th</sup>	25 June 2013

The Company was listed its shares on the Ho Chi Minh Stock Exchange with trading code as CTD in accordance with Decision No. 155/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 9 December 2009.

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

The Company's 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	
Mr. Tran Quang Quan	Member	
Mr. Talgat Turumbayev	Member	
Mr. Huynh Le Duc	Member	
Mr. Brian Quan Pham	Member	
Mr. Huynh Ba Thang Long	Member	resigned on 12 March 2015

### 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	
Mr. Nguyen Duc Canh	Member	
Mr. Ho Van Chi Thanh	Member	appointed on 24 April 2014
Mr. Tu Dai Phuc	Member	resigned on 24 April 2014

# 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	
Mr. Tu Dai Phuc	Deputy General Director	appointed on 2 April 2014

## 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 separate financial statements of the Company for the year ended 31 December 2014.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate 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 separate financial statements; and
- prepare the separate 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 separate financial position of the Company and to ensure that the accounting records comply with the applied 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 separate financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2014 and of the separate results of its operations and its separate cash flows for year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements.

The Company is a parent company with a subsidiary ("the Group") and the consolidated financial statements of the Group for the year ended 31 December 2014 prepared in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements have been issued separately.

Users of these separate financial statements should read them together with the said consolidated financial statements for the year ended 31 December 2014 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

For and on behalf of the management:



Nguyen Ba Duong  
General Director

18 March 2015

Reference: 60813343/16997613

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying separate financial statements of Cotec Construction Joint Stock Company ("the Company") as prepared on 18 March 2015 and set out on pages 6 to 38, which comprise the separate balance sheet as at 31 December 2014, and the separate income statement and separate cash flow statement for the year then ended and the notes thereto.

### ***Management's responsibility***

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' responsibility***

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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### Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2014, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements.

### Emphasis of Matter

We draw attention to No 2.1 of the separate financial statements. The Company prepared and issued the consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2014 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated 18 March 2015 has expressed an unqualified opinion.

Users of the accompanying separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

**Ernst & Young Vietnam Limited**



Le Quang Minh  
Deputy General Director  
Audit Practicing Registration Certificate:  
No. 0426-2013-004-1

Ngo Hong Son  
Auditor  
Audit Practicing Registration Certificate:  
No. 2211-2013-004-01

Ho Chi Minh City, Vietnam

18 March 2015

SEPARATE BALANCE SHEET  
as at 31 December 2014

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,820,221,591,999</b>	<b>3,232,885,344,969</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>318,487,731,533</b>	<b>357,891,965,148</b>
111	1. Cash		318,487,731,533	277,891,965,148
112	2. Cash equivalents		-	80,000,000,000
<b>120</b>	<b>II. Short-term investment</b>	<b>5</b>	<b>515,300,000,000</b>	<b>1,045,500,000,000</b>
121	1. Short-term investments		515,300,000,000	1,045,500,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,640,215,229,920</b>	<b>1,606,345,934,488</b>
131	1. Trade receivables	6.1	1,664,363,538,056	1,678,117,277,900
132	2. Advances to suppliers	6.2	94,110,939,318	24,163,838,949
135	3. Other receivables	7	66,393,017,537	45,548,856,894
139	4. Provision for doubtful debts	6, 7	(184,652,264,991)	(141,484,039,255)
<b>140</b>	<b>IV. Inventories</b>	<b>8</b>	<b>216,864,932,292</b>	<b>172,556,283,538</b>
141	1. Inventories		291,864,932,292	247,556,283,538
149	2. Provision for obsolete inventories		(75,000,000,000)	(75,000,000,000)
<b>150</b>	<b>V. Other current assets</b>		<b>129,353,698,254</b>	<b>50,591,161,795</b>
151	1. Short-term prepaid expenses		440,701,321	122,305,125
152	2. Value-added tax deductibles		118,279,740,041	35,446,969,022
154	3. Tax and other receivables from the State		-	971,673,830
158	4. Other current assets	9	10,633,256,892	14,050,213,818
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,248,024,203,558</b>	<b>590,650,644,351</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>205,232,453,392</b>	<b>200,592,830,491</b>
221	1. Tangible fixed assets	10	117,546,413,119	112,479,172,005
222	Cost		284,465,902,972	259,366,657,518
223	Accumulated depreciation		(166,919,489,853)	(146,887,485,513)
227	2. Intangible assets	11	87,468,508,902	87,171,381,874
228	Cost		93,774,195,260	92,490,042,694
229	Accumulated amortisation		(6,305,686,358)	(5,318,660,820)
230	3. Construction in progress		217,531,371	942,276,612
<b>240</b>	<b>II. Investment properties</b>	<b>12</b>	<b>123,149,197,324</b>	<b>111,366,915,485</b>
241	1. Cost		136,590,390,680	121,784,729,574
242	2. Accumulated depreciation		(13,441,193,356)	(10,417,814,089)
<b>250</b>	<b>III. Long-term investments</b>	<b>13</b>	<b>860,161,980,000</b>	<b>194,011,143,701</b>
251	1. Investments in subsidiary		112,086,980,000	112,086,980,000
252	2. Investments in associates		86,075,000,000	82,780,000,000
258	3. Other long-term investments		680,000,000,000	-
259	4. Provision for diminution in value of long-term investments		(18,000,000,000)	(855,836,299)
<b>260</b>	<b>IV. Other long-term assets</b>		<b>59,480,572,842</b>	<b>84,679,754,674</b>
261	1. Long-term prepaid expenses	14	57,316,024,463	81,622,055,936
262	2. Deferred tax assets	28.2	2,119,548,379	3,012,698,738
268	3. Other long-term assets		45,000,000	45,000,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,068,245,795,557</b>	<b>3,823,535,989,320</b>



SEPARATE BALANCE SHEET (continued)  
as at 31 December 2014

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>A. LIABILITIES</b>		<b>1,653,663,207,196</b>	<b>1,606,996,281,682</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,640,043,517,270</b>	<b>1,526,914,231,755</b>
312	1. Trade payables	15.1	764,969,508,482	738,119,611,253
313	2. Advances from customers	15.2	63,523,228,004	40,674,968,149
314	3. Statutory obligations	16	49,601,599,397	49,366,767,235
316	4. Accrued expenses	17	593,512,259,327	522,171,328,913
319	5. Other payables	18	100,760,466,764	63,106,248,019
320	6. Short-term provision	19	35,257,561,169	59,882,331,442
323	7. Bonus and welfare fund		31,627,405,735	22,364,589,181
338	8. Unearned revenue	20	791,488,392	31,228,387,563
<b>330</b>	<b>II. Non-current liabilities</b>		<b>13,619,689,926</b>	<b>80,082,049,927</b>
333	1. Other long-term liabilities	21	13,119,689,926	14,882,118,741
337	2. Long-term provision	19	500,000,000	65,199,931,186
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>2,414,582,588,361</b>	<b>2,216,539,707,638</b>
<b>410</b>	<b>I. Capital</b>	<b>22.1</b>	<b>2,414,582,588,361</b>	<b>2,216,539,707,638</b>
411	1. Share capital		422,000,000,000	422,000,000,000
412	2. Share premium		869,140,000,000	869,140,000,000
414	3. Treasury shares		(1,741,460,000)	(1,741,460,000)
417	4. Investment and development fund		571,733,190,430	468,878,115,674
418	5. Financial reserve fund		79,867,991,518	67,011,107,173
420	6. Undistributed earnings		473,582,866,413	391,251,944,791
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>4,068,245,795,557</b>	<b>3,823,535,989,320</b>

## OFF BALANCE SHEET ITEM

ITEMS	Ending balance	Beginning balance
Foreign currencies:		
- United States dollar (USD)	763,279	3,743,694
- Euro (EUR)	444	455

  
Vu Thi Hong Hanh  
Preparer

  
Ha Tieu Anh  
Chief Accountant

  
Nguyen Ba Duong  
General Director



18 March 2015

SEPARATE INCOME STATEMENT  
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from sale of goods and rendering of services	23.1	5,700,362,163,736	4,780,800,770,510
11	2. Cost of goods sold and services rendered	24	(5,255,137,325,983)	(4,400,022,736,102)
20	3. Gross profit from sale of goods and rendering of services		445,224,837,753	380,778,034,408
21	4. Finance income	23.2	113,019,129,691	120,764,986,266
22	5. Finance expenses	25	(17,141,581,228)	1,008,545,450
25	6. General and administrative expenses	26	(163,338,209,155)	(181,060,879,526)
30	7. Operating profit		377,764,177,061	321,490,686,598
31	8. Other income	27	20,145,980,109	16,557,964,087
32	9. Other expenses	27	(15,185,208,625)	(7,039,822,867)
40	10. Other profit	27	4,960,771,484	9,518,141,220
50	11. Profit before tax		382,724,948,545	331,008,827,818
51	12. Current corporate income tax expense	28.1	(86,665,345,118)	(95,774,240,085)
52	13. Deferred corporate income tax expense	28.2	(893,150,359)	(1,501,738,238)
60	14. Net profit after tax		295,166,453,068	233,732,849,495


Vu Thi Hong Hanh  
Preparer

Ha Tieu Anh  
Chief Accountant
  
 Nguyen Ba Duong  
General Director

18 March 2015

SEPARATE CASH FLOW STATEMENT  
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>382,724,948,545</b>	<b>331,008,827,818</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11, 12	28,418,434,392	33,595,730,658
03	Provisions		60,312,389,437	128,904,412,234
04	Unrealised foreign exchange gains		(882,925,116)	(47,478,268)
05	Profits from investing activities		(113,534,126,968)	(121,342,869,392)
08	<b>Operating profit before changes in working capital</b>		<b>357,038,720,290</b>	<b>372,118,623,050</b>
09	Increase in receivables		(148,085,140,429)	(281,588,955,118)
10	(Increase) decrease in inventories		(44,308,648,754)	164,008,652,326
11	Increase in payables		10,415,565,130	72,390,735,408
12	Decrease in prepaid expenses		23,987,635,277	43,975,519,744
14	Corporate income tax paid	28.1	(79,907,149,240)	(105,144,659,072)
15	Other cash inflows from operating activities		914,188,965	3,792,133,954
16	Other cash outflows from operating activities		(5,970,610,130)	(4,770,476,244)
20	<b>Net cash flows from operating activities</b>		<b>114,084,561,109</b>	<b>264,781,574,048</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase of fixed assets		(24,457,441,940)	(7,893,792,576)
22	Proceeds from disposals of fixed assets		4,697,954,545	2,105,958,501
23	Term deposits at banks		(149,800,000,000)	(535,500,000,000)
24	Collections from borrowers		-	5,000,000,000
25	Payments for investments in other entities		(48,147,000,000)	(89,844,480,000)
26	Proceeds from sale of investments in other entities		23,226,256,020	10,168,260,338
27	Interest and dividends received		103,576,505,752	111,836,987,826
30	<b>Net cash flows used in investing activities</b>		<b>(90,903,725,623)</b>	<b>(504,127,065,911)</b>
	<b>III. CASH FLOWS FROM A FINANCING ACTIVITY</b>			
36	Dividends paid	22.2	(63,365,870,300)	(84,248,389,800)
40	<b>Net cash flows used in a financing activity</b>		<b>(63,365,870,300)</b>	<b>(84,248,389,800)</b>

SEPARATE CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net decrease in cash and cash equivalents		(40,185,034,814)	(323,593,881,663)
60	Cash and cash equivalents at beginning of year	4	357,891,965,148	681,485,846,811
61	Impact of exchange rate fluctuation		780,801,199	-
70	Cash and cash equivalents at end of year	4	318,487,731,533	357,891,965,148



Vu Thi Hong Hanh  
Preparer



Ha Tieu Anh  
Chief Accountant



Nguyen Ba Duong  
General Director

18 March 2015

NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
as at and for the year ended 31 December 2014

## 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.

<u>Amended Business Registration Certificate No.</u>	<u>Date</u>
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The Company was listed its shares on the Ho Chi Minh Stock Exchange with trading code as CTD in accordance with Decision No. 155/QD-SGDHCM issued by the Ho Chi Minh Stock Exchange on 9 December 2009.

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

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 2014 was 548 (31 December 2013: 517).

## 2. BASIS OF PREPARATION

### 2.1 Accounting standards and system

The separate financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise 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 separate balance sheet, separate income statement, separate cash flow statement and separate 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 separate financial position and separate results of operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

## 2. BASIS OF PREPARATION (continued)

### 2.1 *Accounting standards and system* (continued)

The Company has prepared and issued the separate financial statements to meet the prevailing statutory requirements and internal management purpose. In addition, the Company has prepared and issued its consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2014 on 18 March 2015.

Users of these separate financial statements should read them together with the said consolidated financial statements for the year ended 31 December 2014 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

### 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 separate financial statements starts on 1 January and ends on 31 December.

### 2.4 *Accounting currency*

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *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.

### 3.2 *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.
- Construction 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 and construction work-in-process 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 separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 *Receivables*

Receivables are presented in the separate 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 separate income statement.

#### 3.4 *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 separate income statement as incurred.

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

#### 3.5 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible 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 separate income statement as incurred.

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

##### *Land use rights*

Land use right is recorded as an intangible asset on the separate 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.

#### 3.6 *Depreciation and amortisation*

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

Buildings & structures	6 - 42 years
Machinery & equipment	3 - 10 years
Means of transportation	6 - 8 years
Office equipment	3 - 5 years
Land use rights	45 - 49 years
Software	3 years

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 *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
Others	25 years

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 separate 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.

#### 3.8 *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.

*Where the Company is the lessee*

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

*Where the Company is the lessor*

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

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

#### 3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate 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 separate income statement over the period of two (2) to six (6) years on the straight-line basis.



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 *Investment in a subsidiary*

Investment in a subsidiary over which the Company has control are carried at cost. Distributions from accumulated net profits of the subsidiary arising subsequent to the date of acquisition are recognised in the separate 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.

#### 3.11 *Investment in associates*

Investments in associates over which the Company has significant influence are carried at cost. 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 separate 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.

#### 3.12 *Other investments*

Other investments are stated at their acquisition costs.

#### 3.13 *Provision for diminution in value of investments*

Provision is made for any diminution in value of the investments at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the separate 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.

#### 3.15 *Accrual for severance allowance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been being 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. The average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Any increase in the accrued amount will be taken to the separate 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 48 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.

Provision for warranty obligation of construction projects is estimated from 0.5% to 3% on value of projects based on the specification of each project and actual experience.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.17 Foreign currency transactions**

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 separate income statement.

**3.18 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.

**3.19 Appropriation of net profits**

Net profit after tax (excluding unrealised exchange gains as at the balance sheet date) 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 of in-depth investment.

*Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits, and presented as a liability on the separate balance sheet.

**3.20 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.20 *Revenue recognition* (continued)

##### *Construction contracts* (continued)

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 lease term.

##### *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.

#### 3.21 *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 separate 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.21 *Taxation* (continued)

##### *Deferred tax* (continued)

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 separate 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.

#### 3.22 *Financial instruments*

##### *Financial instruments – initial recognition and presentation*

###### Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance 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 separate 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 cash equivalents, short-term deposits, trade and other receivables.

###### Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the separate 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, net of directly attributable transaction costs.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.22 *Financial instruments* (continued)

##### *Financial instruments – subsequent re-measurement*

There is currently no guidance in Circular 210 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	319,024,068	5,947,442
Cash in banks	318,168,707,465	277,886,017,706
Cash equivalents	-	80,000,000,000
<b>TOTAL</b>	<b><u>318,487,731,533</u></b>	<b><u>357,891,965,148</u></b>

### 5. SHORT-TERM INVESTMENT

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Other short-term investments	<u>515,300,000,000</u>	<u>1,045,500,000,000</u>

Other short-term investments include deposits at commercial banks with a term of three (3) months or more but under one (1) year and earn an interest at the applicable rates.

### 6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

#### 6.1 *Trade receivables*

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Related parties (Note 29)	39,074,007,432	81,657,345,848
Others	1,625,289,530,624	1,596,459,932,052
<b>TOTAL</b>	<b><u>1,664,363,538,056</u></b>	<b><u>1,678,117,277,900</u></b>
Provision for doubtful debts	<u>(183,368,070,876)</u>	<u>(141,484,039,255)</u>
<b>NET</b>	<b><u>1,480,995,467,180</u></b>	<b><u>1,536,633,238,645</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)**

**6.1 Trade receivables (continued)**

**Movements of provision for doubtful debts:**

	VND	
	Current year	Previous year
Beginning balance	141,484,039,255	55,182,008,195
Add: Provison created during the year	<u>41,884,031,621</u>	<u>86,302,031,060</u>
Ending balance	<u>183,368,070,876</u>	<u>141,484,039,255</u>

**6.2 Advances to suppliers**

	VND	
	Ending balance	Beginning balance
Advances to other parties	<u>94,110,939,318</u>	<u>24,163,838,949</u>

**7. OTHER RECEIVABLES**

	VND	
	Ending balance	Beginning balance
Receivables from disposal of investments (Note 13.2)	38,238,062,386	11,171,538,973
Interest receivable	25,465,654,794	19,926,819,448
Related parties	-	14,450,498,473
Others	<u>2,689,300,357</u>	<u>-</u>
<b>TOTAL</b>	<b>66,393,017,537</b>	<b>45,548,856,894</b>
Provision for doubtful debts	<u>(1,284,194,115)</u>	<u>-</u>
<b>NET</b>	<b><u>65,108,823,422</u></b>	<b><u>45,548,856,894</u></b>

**8. INVENTORIES**

	VND	
	Ending balance	Beginning balance
Construction work in process	291,864,932,292	247,556,283,538
Provision for obsolete inventories	<u>(75,000,000,000)</u>	<u>(75,000,000,000)</u>
<b>NET</b>	<b><u>216,864,932,292</u></b>	<b><u>172,556,283,538</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

8. **INVENTORIES** (continued)

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

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tricon Tower	75,000,000,000	75,000,000,000
Lexington District 2 High Class Apartment	50,843,062,761	-
Aeon Mall Long Bien Shopping Center	34,429,907,351	-
Van Phu - Trung Kinh Complex Apartment	19,808,318,802	-
Ho Chi Minh Stock Exchange Building	16,192,909,457	15,512,549,906
WaterMark Residences	10,591,387,668	-
Novotel Phu Quoc Resorts	9,488,747,282	-
Everich District 7 High Class Apartments	8,417,418,475	13,426,410,247
Backup Data Center	8,308,119,533	7,273,724,771
E6 Villa Project	7,634,499,768	14,008,912,460
Goldmark City	5,070,226,314	-
An Phu Apartment	4,464,130,323	13,034,998,522
Aeon Mall Shopping Center	4,423,253,603	-
Viettel Kien Giang Tower	3,906,841,314	11,163,485,854
Eximbank Branch Office - District 3	3,060,873,920	11,472,372,355
Salinda Phu Quoc Resort	1,987,697,191	15,637,775,494
South Saigon Commercial Complex - Vivo City	-	32,525,122,713
Others	28,237,538,530	38,500,931,216
<b>TOTAL</b>	<b><u>291,864,932,292</u></b>	<b><u>247,556,283,538</u></b>

*Movements of provision for obsolete inventories are as follows:*

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	75,000,000,000	24,850,000,000
Add: Provision created during the year	-	50,150,000,000
Ending balance	<u>75,000,000,000</u>	<u>75,000,000,000</u>

9. **OTHER CURRENT ASSETS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to construction teams and employees	9,403,314,550	12,516,927,702
Deposits	1,229,942,342	1,533,286,116
<b>TOTAL</b>	<b><u>10,633,256,892</u></b>	<b><u>14,050,213,818</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

#### 10. TANGIBLE FIXED ASSETS

	VND				
	<i>Buildings &amp; structures</i>	<i>Machinery &amp; equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost:</b>					
Beginning balance	75,946,985,585	156,105,016,600	19,494,570,029	7,820,085,304	259,366,657,518
New purchases	5,298,113,000	10,686,219,416	3,802,254,545	1,594,782,832	21,381,369,793
Reclassification from investment properties	8,701,856,125	-	-	-	8,701,856,125
Transfer from construction in progress	2,619,373,913	-	-	-	2,619,373,913
Disposal	<u>(3,020,435,000)</u>	<u>(2,339,689,378)</u>	<u>(2,243,229,999)</u>	-	<u>(7,603,354,377)</u>
Ending balance	<u>89,545,893,623</u>	<u>164,451,546,638</u>	<u>21,053,594,575</u>	<u>9,414,868,136</u>	<u>284,465,902,972</u>
<i>In which:</i>					
<i>Fully depreciated</i>	1,342,329,348	63,827,823,018	3,063,613,052	4,832,927,395	73,066,692,813
<b>Accumulated depreciation:</b>					
Beginning balance	(16,269,867,606)	(113,760,642,247)	(10,527,206,002)	(6,329,769,658)	(146,887,485,513)
Depreciation for the year	(5,300,925,076)	(14,913,532,400)	(2,189,941,079)	(1,133,445,419)	(23,537,843,974)
Reclassification from investment properties	(870,185,613)	-	-	-	(870,185,613)
Disposal	<u>110,749,287</u>	<u>2,220,127,435</u>	<u>2,045,148,525</u>	-	<u>4,376,025,247</u>
Ending balance	<u>(22,330,229,008)</u>	<u>(126,454,047,212)</u>	<u>(10,671,998,556)</u>	<u>(7,463,215,077)</u>	<u>(166,919,489,853)</u>
<b>Net carrying amount:</b>					
Beginning balance	<u>59,677,117,979</u>	<u>42,344,374,353</u>	<u>8,967,364,027</u>	<u>1,490,315,646</u>	<u>112,479,172,005</u>
Ending balance	<u>67,215,664,615</u>	<u>37,997,499,426</u>	<u>10,381,596,019</u>	<u>1,951,653,059</u>	<u>117,546,413,119</u>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

## 11. INTANGIBLE ASSETS

	<i>Land use rights</i>	<i>Software</i>	<i>VND Total</i>
<b>Cost:</b>			
Beginning balance	89,261,243,238	3,228,799,456	92,490,042,694
Transferred from construction in progress	-	771,545,456	771,545,456
New purchases	-	512,607,110	512,607,110
Ending balance	<u>89,261,243,238</u>	<u>4,512,952,022</u>	<u>93,774,195,260</u>
<i>In which:</i>			
<i>Fully depreciated</i>	-	2,863,799,456	2,863,799,456
<b>Accumulated amortisation:</b>			
Beginning balance	(2,456,772,430)	(2,861,888,390)	(5,318,660,820)
Amortisation for the year	<u>(515,753,616)</u>	<u>(471,271,922)</u>	<u>(987,025,538)</u>
Ending balance	<u>(2,972,526,046)</u>	<u>(3,333,160,312)</u>	<u>(6,305,686,358)</u>
<b>Net carrying value:</b>			
Beginning balance	<u>86,804,470,808</u>	<u>366,911,066</u>	<u>87,171,381,874</u>
Ending balance	<u>86,288,717,192</u>	<u>1,179,791,710</u>	<u>87,468,508,902</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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**12. INVESTMENT PROPERTIES**

			VND
	<i>Office building</i>	<i>Others</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	103,164,365,665	18,620,363,909	121,784,729,574
Addition	-	23,507,517,231	23,507,517,231
Reclassification to tangible fixed assets	<u>(8,701,856,125)</u>	-	<u>(8,701,856,125)</u>
Ending balance	<u>94,462,509,540</u>	<u>42,127,881,140</u>	<u>136,590,390,680</u>
<b>Accumulated depreciation:</b>			
Beginning balance	(10,316,436,552)	(101,377,537)	(10,417,814,089)
Depreciation for the year	(3,148,750,320)	(744,814,560)	(3,893,564,880)
Reclassification to tangible fixed assets	<u>870,185,613</u>	-	<u>870,185,613</u>
Ending balance	<u>(12,595,001,259)</u>	<u>(846,192,097)</u>	<u>(13,441,193,356)</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>92,847,929,113</u>	<u>18,518,986,372</u>	<u>111,366,915,485</u>
Ending balance	<u>81,867,508,281</u>	<u>41,281,689,043</u>	<u>123,149,197,324</u>

The fair value of the investment properties was not formally assessed and determined as at 31 December 2014. 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.

**13. LONG-TERM INVESTMENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investments in a subsidiary (Note 13.1)	112,086,980,000	112,086,980,000
Investments in associates (Note 13.2)	86,075,000,000	82,780,000,000
Other long-term investments (Note 13.3)	680,000,000,000	-
Provision for diminution in value of long-term investments	<u>(18,000,000,000)</u>	<u>(855,836,299)</u>
<b>NET</b>	<u><b>860,161,980,000</b></u>	<u><b>194,011,143,701</b></u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

### 13. LONG-TERM INVESTMENTS (continued)

#### 13.1 Investment in a subsidiary

As at 31 December 2014, the details of investment in a subsidiary are as follows:

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<i>% of interest</i>	<i>Amount (VND)</i>	<i>% of interest</i>	<i>Amount (VND)</i>
Uy Nam Investment & Construction Joint Stock Company ("Uy Nam")	51.24	<u>112,086,980,000</u>	51.24	<u>112,086,980,000</u>

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 and as amended.

#### 13.2 Investments in associates

As at 31 December 2014, the details of investments in associates are as follows:

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<i>% of interest</i>	<i>Amount (VND)</i>	<i>% of interest</i>	<i>Amount (VND)</i>
FCC Infrastructure Investment Joint Stock Company	35	47,915,000,000	-	-
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
<b>TOTAL</b>		<b>86,075,000,000</b>		<b>82,780,000,000</b>
Provision for diminution in value of long-term investments		<u>(18,000,000,000)</u>		<u>(855,836,299)</u>
<b>NET</b>		<b>68,075,000,000</b>		<b>81,924,163,701</b>

FCC Infrastructure Investment Joint Stock Company ("FCC") is a shareholding company established in accordance with Business Registration Certificate ("BRC") No. 0106605407 issued by the DPI of Ha Noi City on 21 July 2014. According to BRC, the register charter capital of FCC is VND 369,000,000,000, in which the Company contributes VND 129,000,000,000 equivalent to 35% (Note 31).

Phu Hung Gia Construction & Investment Joint Stock Company ("Phu Hung Gia") is a shareholding company established in accordance with BRC No. 4103002810 issued by the DPI of Ho Chi Minh City on 27 October 2005 and as amended.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**13. LONG-TERM INVESTMENTS (continued)**

**13.2 Investments in associates (continued)**

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 and as amended.

On 8 December 2014, the Company entered into the agreement to transfer its equity interest in Phu Gia An Investment Joint Stock Company ("Phu Gia An") at the selling price of VND 47,797,577,982. Accordingly, Phu Gia An is no longer the Company's associate at 31 December 2014.

**13.3 Other long-term investments**

Other long-term investments include deposits in commercial banks with a term of more than one (1) year and earn interest at the applicable rates.

**14. LONG-TERM PREPAID EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tools & supplies used for construction works	<u>57,316,024,463</u>	<u>81,622,055,936</u>

**15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS**

**15.1 Trade payables**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due to related parties (Note 29)	252,739,716,890	248,476,059,285
Due to other parties	<u>512,229,791,592</u>	<u>489,643,551,968</u>
<b>TOTAL</b>	<b><u>764,969,508,482</u></b>	<b><u>738,119,611,253</u></b>

**15.2 Advances from customers**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances from other parties	<u>63,523,228,004</u>	<u>40,674,968,149</u>

**16. STATUTORY OBLIGATIONS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Enterprise income tax (Note 28.1)	26,862,853,356	20,104,657,478
Personal income tax	17,485,565,037	22,999,094,959
Value-added tax	5,242,700,441	6,263,014,798
Other	<u>10,480,563</u>	<u>-</u>
<b>TOTAL</b>	<b><u>49,601,599,397</u></b>	<b><u>49,366,767,235</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**17. ACCRUED EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Accrual for on-going construction projects	593,148,693,924	521,807,763,510
Others	363,565,403	363,565,403
<b>TOTAL</b>	<b><u>593,512,259,327</u></b>	<b><u>522,171,328,913</u></b>

**18. OTHER PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Payable to construction teams	79,551,811,581	62,231,141,568
Dividend payables	21,087,407,850	186,590,150
Others	121,247,333	688,516,301
<b>TOTAL</b>	<b><u>100,760,466,764</u></b>	<b><u>63,106,248,019</u></b>

**19. SHORT-TERM AND LONG-TERM PROVISIONS**

These amounts represent the short-term and long-term provisions for warranty of completed construction projects.

**20. UNEARNED REVENUE**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Unearned revenue from office leasing	791,488,392	537,516,082
Unearned revenue from construction works	-	30,690,871,481
<b>TOTAL</b>	<b><u>791,488,392</u></b>	<b><u>31,228,387,563</u></b>

**21. OTHER LONG-TERM PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Severance allowances	10,249,956,011	10,249,956,011
Long-term deposits received	2,869,733,915	4,632,162,730
<b>TOTAL</b>	<b><u>13,119,689,926</u></b>	<b><u>14,882,118,741</u></b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

## 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	Total
<b>Previous year:</b>							
Beginning balance	422,000,000,000	869,140,000,000	(1,741,460,000)	381,467,132,588	56,084,734,287	351,049,512,154	2,077,999,919,029
Net profit for the year	-	-	-	-	-	233,732,849,495	233,732,849,495
Profit appropriation	-	-	-	87,410,983,086	10,926,372,886	(98,337,355,972)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(10,926,372,886)	(10,926,372,886)
Dividends declared	-	-	-	-	-	(84,266,688,000)	(84,266,688,000)
Ending balance	<u>422,000,000,000</u>	<u>869,140,000,000</u>	<u>(1,741,460,000)</u>	<u>468,878,115,674</u>	<u>67,011,107,173</u>	<u>391,251,944,791</u>	<u>2,216,539,707,638</u>
<b>Current year:</b>							
Beginning balance	422,000,000,000	869,140,000,000	(1,741,460,000)	468,878,115,674	67,011,107,173	391,251,944,791	2,216,539,707,638
Net profit for the year	-	-	-	-	-	295,166,453,068	295,166,453,068
Profit appropriation	-	-	-	102,855,074,756	12,856,884,345	(115,711,959,101)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(12,856,884,345)	(12,856,884,345)
Dividends declared	-	-	-	-	-	(84,266,688,000)	(84,266,688,000)
Ending balance	<u>422,000,000,000</u>	<u>869,140,000,000</u>	<u>(1,741,460,000)</u>	<u>571,733,190,430</u>	<u>79,867,991,518</u>	<u>473,582,866,413</u>	<u>2,414,582,588,361</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014**22. OWNERS' EQUITY** (continued)**22.2 Capital transactions with owners and distribution of dividends**

	VND	
	Current year	Previous year
<b>Contributed share capital</b>		
Beginning and ending balances	422,000,000,000	422,000,000,000
<b>Dividends</b>		
Dividends declared	84,266,688,000	84,266,688,000
Dividends paid	(63,365,870,300)	(84,248,389,800)

**22.3 Shares**

	Ending balance	Beginning balance
	(Share)	(Share)
Authorised shares	42,200,000	42,200,000
Shares issued and fully paid	42,200,000	42,200,000
<i>Ordinary shares</i>	42,200,000	42,200,000
Treasury shares	(66,656)	(66,656)
<i>Ordinary shares</i>	(66,656)	(66,656)
Shares in circulation	42,133,344	42,133,344
<i>Ordinary shares</i>	42,133,344	42,133,344

**23. REVENUES****23.1 Net revenue from sale of goods and rendering of services**

	VND	
	Current year	Previous year
Rendering of construction services	5,660,800,303,835	4,728,435,276,438
Revenue from investment properties activities	26,973,140,115	27,385,256,026
Rental of construction equipment	12,588,719,786	24,980,238,046
<b>TOTAL</b>	<b>5,700,362,163,736</b>	<b>4,780,800,770,510</b>

**23.2 Finance income**

	VND	
	Current year	Previous year
Bank interest income	96,796,141,098	99,457,081,388
Dividend earned	12,319,200,000	11,290,125,000
Gain on disposal of investments	2,945,577,982	9,688,295,000
Unrealised foreign exchange gains	882,925,116	47,478,268
Others	75,285,495	282,006,610
<b>TOTAL</b>	<b>113,019,129,691</b>	<b>120,764,986,266</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**24. COST OF GOODS SOLD AND SERVICES RENDERED**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of rendering of construction services	5,231,049,835,619	4,367,031,579,156
Cost of investment properties activities	16,715,494,034	18,245,964,947
Cost of construction equipment leased	7,371,996,330	14,745,191,999
<b>TOTAL</b>	<b><u>5,255,137,325,983</u></b>	<b><u>4,400,022,736,102</u></b>

**25. FINANCE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Provision (reversal of provision) of diminution in value of investments	17,144,163,701	(1,485,654,540)
Loss from disposal of investments	(2,582,473)	326,600,959
Realised foreign exchange losses	-	150,508,131
<b>TOTAL</b>	<b><u>17,141,581,228</u></b>	<b><u>(1,008,545,450)</u></b>

**26. ADMINISTRATIVE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labour costs	76,955,055,602	61,868,842,138
Provision expense	43,168,225,736	80,240,066,774
Depreciation and amortisation	15,203,222,976	16,588,631,599
Expense for external services	13,642,497,632	9,760,386,575
Other expenses	14,369,207,209	12,602,952,440
<b>TOTAL</b>	<b><u>163,338,209,155</u></b>	<b><u>181,060,879,526</u></b>

**27. OTHER INCOME AND EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>	<b>20,145,980,109</b>	<b>16,557,964,087</b>
Reversal of warranty provisions	7,975,892,586	1,738,477,954
Proceeds from disposal of fixed assets	4,697,954,545	2,268,458,501
Compensation and penalty received	2,366,631,933	-
Reversal of over accrued expenses	2,082,715,970	1,190,755,777
Others	3,022,785,075	11,360,271,855
<b>Other expenses</b>	<b>(15,185,208,625)</b>	<b>(7,039,822,867)</b>
Write-off receivables	(11,957,879,495)	-
Cost of disposed of fixed assets	(3,227,329,130)	(1,316,496,148)
Others	-	(5,723,326,719)
<b>NET</b>	<b><u>4,960,771,484</u></b>	<b><u>9,518,141,220</u></b>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**28. CORPORATE INCOME TAX**

The statutory corporate income tax ("CIT") rate applicable to the Company is 22% (2013: 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 separate financial statements could change at a later date upon final determination by the tax authorities.

**28.1 Current CIT expense**

	VND	
	Current year	Previous year
Current tax expense	86,661,986,177	95,785,678,916
Adjustment for under (over) accrual of tax from prior years	3,358,941	(11,438,831)
<b>TOTAL</b>	<b>86,665,345,118</b>	<b>95,774,240,085</b>

**28.2 Current CIT**

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 separate 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 is presented below:

	VND	
	Current year	Previous year
<b>Profit before tax</b>	<b>382,724,948,545</b>	<b>331,008,827,818</b>
<i>Adjustments to increase (decrease) in accounting profit</i>		
Non-deductible provision for investment	17,617,118,201	-
Non-deductible expenses	8,586,741,998	68,407,564,174
Dividend received	(12,319,200,000)	(11,290,125,000)
Change in taxable profit of unearned revenue	(1,635,971,907)	(5,258,556,949)
Change in unrealised foreign exchange differences	(780,512,234)	-
Loss from sales of investment properties	-	275,005,618
<b>Adjusted net profit before loss carry forward</b>	<b>394,193,124,603</b>	<b>383,142,715,661</b>
Tax loss carried forward from sales of investment properties in previous year	(275,005,618)	-
<b>Estimated current taxable profit</b>	<b>393,918,118,985</b>	<b>383,142,715,661</b>
Estimated current CIT	86,661,986,177	95,785,678,916
Adjustment for under (over) accrual of tax from prior years	3,358,941	(11,438,831)
<b>Estimated current CIT expense</b>	<b>86,665,345,118</b>	<b>95,774,240,085</b>
CIT payable at beginning of year	20,104,657,478	29,475,076,465
CIT paid during the year	(79,907,149,240)	(105,144,659,072)
<b>CIT payable at end of year</b>	<b>26,862,853,356</b>	<b>20,104,657,478</b>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

## 28. CORPORATE INCOME TAX (continued)

### 28.3 *Deferred tax*

The following are the deferred tax assets and liabilities recognised by the Company, and the movements thereon, during the current and previous years:

	<i>Separate balance sheet</i>		<i>Charge to separate income statement</i>		VND
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	
<b><i>Deferred tax assets</i></b>					
Accrual for severance allowance	2,254,990,323	2,562,489,003	(307,498,680)	-	
Profit of unearned revenue	36,270,747	450,209,735	(413,938,988)	(1,501,738,238)	
Unrealised foreign exchange differences	(171,712,691)	-	(171,712,691)	-	
	<b><u>2,119,548,379</u></b>	<b><u>3,012,698,738</u></b>			
<b><i>Deferred income tax expenses</i></b>			<b><u>(893,150,359)</u></b>	<b><u>(1,501,738,238)</u></b>	

## 29. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	VND <i>Amount</i>
Uy Nam Investment Construction Joint Stock Company	Subsidiary	Construction cost	357,561,724,009
		Purchase of construction materials	206,022,343,645
		Dividend received	9,223,200,000
		Equipment rental income	4,575,137,313
		Office rental	4,359,196,825
		Equipment rental expense	414,171,221
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Purchase of construction materials	215,734,012,488
		Construction cost	167,248,683,578
		Construction services	10,505,398,667
		Dividend received	3,024,000,000
		Equipment rental income	2,503,052,871
		Equipment rental expenses	913,958,019
FCC Infrastructure Investment Joint Stock Company	Associate	Capital contribution	47,915,000,000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

The outstanding balances due from and due to related parties as at 31 December 2014 were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>VND</i> <i>Receivable</i> <i>(payable)</i>
<b>Trade receivables</b>			
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction cost, equipment rental	37,722,995,607
Uy Nam Investment Construction Joint Stock Company	Subsidiary	Office rental, equipment rental	1,351,011,825
			<u>39,074,007,432</u>
<b>Trade payables</b>			
Uy Nam Investment Construction Joint Stock Company	Subsidiary	Construction cost, purchase of construction material and equipment rental	(162,735,737,122)
Phu Hung Gia Construction & Investment Joint Stock Company	Associate	Construction cost, purchase of construction material and equipment rental	(90,003,979,768)
			<u>(252,739,716,890)</u>

**Transactions with other related parties**

Remuneration to members of the Board of Directors and Board of Supervision:

	<i>VND</i>
	<i>Current year</i>
	<i>Previous year</i>
Remuneration of Board of Directors and Board of Supervision	1,128,000,000
	<u>828,000,000</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

### 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 2014 are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	540,000,000	540,000,000
From 1-5 years	<u>405,000,000</u>	<u>1,080,000,000</u>
<b>TOTAL</b>	<b><u>945,000,000</u></b>	<b><u>1,620,000,000</u></b>

In addition, the Company leases out its Coteconcs Building property under operating lease agreement. The future minimum rental receivable as at 31 December 2014 under the operating lease agreements is as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	11,033,268,438	13,556,317,728
From 1 to 5 years	5,773,322,760	10,120,693,878
More than 5 years	<u>1,227,574,560</u>	<u>5,175,748,200</u>
<b>TOTAL</b>	<b><u>18,034,165,758</u></b>	<b><u>28,852,759,806</u></b>

### 31. CAPITAL COMMITMENTS

As at 31 December 2014, the Company had capital contribution commitment as follows:

<i>Name of investee</i>	<i>Charter capital</i>	<i>Capital contribution commitment</i>		<i>Contributed amount</i>	<i>Remaining commitment</i>
		<i>Amount</i>	<i>%</i>		
FCC Infrastructure Investment Joint Stock Company	<u>369,000,000,000</u>	<u>129,150,000,000</u>	<u>35</u>	<u>47,915,000,000</u>	<u>81,235,000,000</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

## 32. 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 does not hold or issue derivative financial instruments.

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

Management reviews and agrees policies for managing each of these risks which are summarized 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 bank deposits.

#### *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 2014 since the Company's term deposits are fixed interest rates.

#### *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 of goods 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 foreign currency sensitivity was performed for the year ended 31 December 2014 since the Company's purchases and rendering of service were mainly denominated in VND during the year.

#### **Commodity price risk**

The Group is exposed to commodity price risk in relation to purchase of certain commodities for rendering of construction services. The Group 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 Group 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### **Credit risk** (continued)

##### *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.

#### **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 summarizes 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>
<b>Ending balance</b>			
Trade payables	764,969,508,482	-	764,969,508,482
Other payables and accrued expenses	<u>694,272,726,091</u>	<u>2,869,733,915</u>	<u>697,142,460,006</u>
	<b><u>1,459,242,234,573</u></b>	<b><u>2,869,733,915</u></b>	<b><u>1,462,111,968,488</u></b>
<b>Beginning balance</b>			
Trade payables	738,119,611,253	-	738,119,611,253
Other payables and accrued expenses	<u>585,277,576,932</u>	<u>4,632,162,730</u>	<u>589,909,739,662</u>
	<b><u>1,323,397,188,185</u></b>	<b><u>4,632,162,730</u></b>	<b><u>1,328,029,350,915</u></b>

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.

#### **Collateral**

The Company did not hold collateral at 31 December 2014 and 31 December 2013.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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### 33. 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 separate financial statements.

	<i>Carrying amount</i>				<i>Fair value</i>		<i>VND</i>
	<i>Ending balance</i>		<i>Beginning balance</i>		<i>Ending balance</i>	<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>			
<b>Financial assets</b>							
Other short-term investments	515,300,000,000	-	1,045,500,000,000	-	515,300,000,000	1,045,500,000,000	
Other long-term investments	680,000,000,000	-	-	-	680,000,000,000	-	
Trade receivables	1,625,289,530,624	(183,368,070,876)	1,596,459,932,052	(141,484,039,255)	1,441,921,459,748	1,454,975,892,797	
Receivables from related parties	39,074,007,432	-	96,107,844,321	-	39,074,007,432	96,107,844,321	
Other receivables	67,622,959,879	(1,284,194,115)	32,631,644,537	-	66,338,765,764	32,631,644,537	
Other non-current financial assets	45,000,000	-	45,000,000	-	45,000,000	45,000,000	
Cash and cash equivalents	318,487,731,533	-	357,891,965,148	-	318,487,731,533	357,891,965,148	
<b>TOTAL</b>	<b>3,245,819,229,468</b>	<b>(184,652,264,991)</b>	<b>3,128,636,386,058</b>	<b>(141,484,039,255)</b>	<b>3,061,166,964,477</b>	<b>2,987,152,346,803</b>	
<b>Financial liabilities</b>							
Trade payables	512,229,791,592	-	489,643,551,968	-	512,229,791,592	489,643,551,968	
Payable to related parties	252,739,716,890	-	248,476,059,285	-	252,739,716,890	248,476,059,285	
Other current financial liabilities	694,272,726,091	-	585,277,576,932	-	694,272,726,091	585,277,576,932	
Other non-current financial liabilities	2,869,733,915	-	4,632,162,730	-	2,869,733,915	4,632,162,730	
<b>TOTAL</b>	<b>1,462,111,968,488</b>	<b>-</b>	<b>1,328,029,350,915</b>	<b>-</b>	<b>1,462,111,968,488</b>	<b>1,328,029,350,915</b>	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**33. 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 fair values of the financial assets and liabilities had not yet been formally assessed and determined as at 31 December 2014 and 31 December 2013. 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 the balance sheet date.

**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 separate financial statements.

  
Vu Thi Hong Hanh  
Preparer

  
Ha Tieu Anh  
Chief Accountant



  
Nguyen Ba Duong  
General Director

18 March 2015