

# Refrigeration Electrical Engineering Corporation

Interim separate financial statements

30 June 2014



**EY**

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# Refrigeration Electrical Engineering Corporation

## CONTENTS

	<i>Pages</i>
General information	1
Report of the management	2
Report on review of interim separate financial statements	3
Interim separate balance sheet	4 - 5
Interim separate income statement	6
Interim separate cash flow statement	7 - 8
Notes to the interim separate financial statements	9 - 38

# Refrigeration Electrical Engineering Corporation

## GENERAL INFORMATION

### THE COMPANY

Refrigeration Electrical Engineering Corporation ("the Company") is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 1506/GP-UB issued on 25 December 1993 by the People's Committee of Ho Chi Minh City and the latest amended Business Registration Certificate No. 0300741143 issued by the Department of Planning and Investment of Ho Chi Minh City on 25 April 2014.

The Company is listed on the Ho Chi Minh City Stock Exchange in accordance with License No. 01/GPPH issued by the State Securities Commission on 2 June 2000.

The current principal activities of the Company are mechanical and electrical engineering services (M&E), manufacturing, real estate development and management, and strategic financial investments.

The Company's head office is located at 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

### THE BOARD OF DIRECTORS

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

Madam Nguyen Thi Mai Thanh	Chairwoman
Mr Dominic Scriven	Deputy chairman
Mr David Alexander Newbigging	Deputy chairman
Mr Nguyen Ngoc Thai Binh	Member
Mr Dang Hong Tan	Member

### BOARD OF SUPERVISION

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

Madam Do Thi Trang	Head of the Board of Supervision
Mr Le Anh Tuan	Member
Ms Nguyen Thi Huong Giang	Member

### MANAGEMENT

Madam Nguyen Thi Mai Thanh	General Director
Mr Huynh Thanh Hai	Deputy General Director
Mr Quach Vinh Binh	Deputy General Director

### LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Madam Nguyen Thi Mai Thanh.

### AUDITORS

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



# Refrigeration Electrical Engineering Corporation

## REPORT OF MANAGEMENT

Management of Refrigeration Electrical Engineering ("the Company") is pleased to present its report and the interim separate financial statements of the Company for the six-month period ended 30 June 2014.

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

Management is responsible for the interim separate financial statements of the Company which give a true and fair view of the interim separate state of affairs of the Company and of the interim separate results of its operations and its interim separate cash flows for the period. In preparing those interim 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 interim separate financial statements; and
- prepare the interim 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 interim 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 interim separate financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim separate financial statements give a true and fair view of the interim separate financial position of the Company as at 30 June 2014 and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

The Company is the parent company of the subsidiaries listed in Note 11.2 of Notes to the interim separate financial statements and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2014 to meet the prevailing regulatory reporting requirements.

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

For and on behalf of the management: 



\_\_\_\_\_  
Nguyen Thi Mai Thanh  
General Director

13 August 2014



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Ernst & Young Vietnam Limited  
28th Floor, Bitexco Financial Tower  
2 Hai Trieu Street, District 1  
Ho Chi Minh City, S.R. of Vietnam

Tel: +84 8 3824 5252  
Fax: +84 8 3824 5250  
ey.com

Reference: 60752771/16998193

## REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

**To: The Shareholders of Refrigeration Electrical Engineering Corporation**

We have reviewed the interim separate financial statements of Refrigeration Electrical Engineering Corporation ("the Company") as set out on pages 4 to 38 which comprise the interim separate balance sheet as at 30 June 2014, and the interim separate income statement and interim separate cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim separate financial statements are the responsibility of management. Our responsibility is to issue a report on these interim separate financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim separate financial statements are free from material misstatement. A review is limited primarily to inquiries of the Company's management and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not give a true and fair view of the interim separate financial position of the Company as at 30 June 2014, and of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim separate financial statements.

Without modifying our conclusion, we draw attention to Note 11.2 of the interim separate financial statements which states that the Company is in the process of preparing the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2014. Users of these accompanying interim separate financial statements should read them together with the interim consolidated financial statements of the Group for the six-month period ended 30 June 2014 in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Group as a whole.



**Ernst & Young Vietnam Limited**

Mai Viet Hung Tran  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 0048-2013-004-1

Pham Thi Cam Tu  
Auditor  
Audit Practicing Registration Certificate  
No. 2266-2013-004-1

Ho Chi Minh City, Vietnam

13 August 2014



INTERIM SEPARATE BALANCE SHEET  
as at 30 June 2014

VND

Code	ASSETS	Notes	30 June 2014	31 December 2013
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>359,335,202,306</b>	<b>792,278,783,720</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>179,188,025,939</b>	<b>462,025,467,713</b>
111	1. Cash		31,188,025,939	21,725,467,713
112	2. Cash equivalents		148,000,000,000	440,300,000,000
<b>120</b>	<b>II. Short-term investments</b>	<b>11</b>	<b>112,147,473,996</b>	<b>252,055,394,285</b>
121	1. Short-term investments		198,325,390,875	342,723,106,627
129	2. Provision for diminution in value of investments		(86,177,916,879)	(90,667,712,342)
<b>130</b>	<b>III. Accounts receivable</b>		<b>53,423,738,852</b>	<b>52,514,049,246</b>
131	1. Trade receivables	5	38,622,858,637	72,688,775,148
134	2. Construction contract receivables		27,694,068,191	27,694,068,191
135	3. Other receivables	6	9,781,551,838	3,233,629,581
139	4. Provision for doubtful debts		(22,674,739,814)	(51,102,423,674)
<b>140</b>	<b>IV. Inventories</b>		<b>13,993,000,513</b>	<b>13,993,000,513</b>
141	1. Inventories	7	13,993,000,513	13,993,000,513
<b>150</b>	<b>V. Other current assets</b>		<b>582,963,006</b>	<b>11,690,871,963</b>
152	1. Value-added tax deductible		212,087,346	90,787,766
154	2. Tax receivables from the State		102,221,113	113,369,933
158	3. Other current assets		268,654,547	11,486,714,264
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>4,639,568,778,309</b>	<b>4,297,104,501,256</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>16,027,996,375</b>	<b>17,073,491,971</b>
221	1. Tangible fixed assets	8	5,321,625,318	5,718,293,161
222	Cost		19,252,034,845	19,252,034,845
223	Accumulated depreciation		(13,930,409,527)	(13,533,741,684)
227	2. Intangible fixed assets	9	10,278,481,849	10,927,309,602
228	Cost		14,734,772,540	14,734,772,540
229	Accumulated amortisation		(4,456,290,691)	(3,807,462,938)
230	3. Construction in progress		427,889,208	427,889,208
<b>240</b>	<b>II. Investment properties</b>	<b>10</b>	<b>661,534,505,594</b>	<b>688,047,083,066</b>
241	1. Cost		1,012,711,006,936	1,012,711,006,936
242	2. Accumulated depreciation		(351,176,501,342)	(324,663,923,870)
<b>250</b>	<b>III. Long-term investments</b>	<b>11</b>	<b>3,955,359,402,210</b>	<b>3,586,061,925,441</b>
251	1. Investments in subsidiaries		1,136,900,449,099	517,752,272,525
252	2. Investments in associates and a joint venture		2,123,437,098,051	2,297,510,708,221
258	3. Other long-term investments		768,759,411,060	844,975,129,605
259	4. Provision for long-term investments		(73,737,556,000)	(74,176,184,910)
<b>260</b>	<b>IV. Other long-term asset</b>		<b>6,646,874,130</b>	<b>5,922,000,778</b>
262	1. Deferred tax assets	25.2	6,646,874,130	5,922,000,778
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,998,903,980,615</b>	<b>5,089,383,284,976</b>

INTERIM SEPARATE BALANCE SHEET (continued)  
as at 30 June 2014

VND

Code	RESOURCES	Notes	30 June 2014	31 December 2013
<b>300</b>	<b>A. LIABILITIES</b>		<b>461,537,211,180</b>	<b>514,327,739,381</b>
<b>310</b>	<b>i. Current liabilities</b>		<b>142,615,958,365</b>	<b>181,616,842,830</b>
311	1. Short-term loans	12	33,992,278,010	33,543,546,230
312	2. Trade payables	13	32,287,802,209	34,642,713,559
313	3. Advances from customers	14	15,169,569,104	19,761,834,238
314	4. Statutory obligations	15	22,227,846,045	7,096,451,880
315	5. Payables to employees		21,000,000	745,780,000
316	6. Accrued expenses	16	5,908,960,938	2,098,184,741
319	7. Other payables	17	31,596,761,390	82,375,864,673
323	8. Bonus and welfare fund		1,411,740,669	1,352,467,509
<b>330</b>	<b>ii. Non-current liabilities</b>		<b>318,921,252,815</b>	<b>332,710,896,551</b>
333	1. Other long-term liabilities	18	98,262,722,295	94,942,627,481
334	2. Long-term loans	19	220,658,530,520	237,768,269,070
<b>400</b>	<b>B. OWNERS' EQUITY</b>	<b>20</b>	<b>4,537,366,769,435</b>	<b>4,575,055,545,595</b>
<b>410</b>	<b>i. Capital</b>		<b>4,537,366,769,435</b>	<b>4,575,055,545,595</b>
411	1. Share capital		2,656,515,390,000	2,636,863,850,000
412	2. Share premium		1,002,650,096,786	1,002,650,096,786
414	3. Treasury shares		(31,342,660)	(31,342,660)
417	4. Investment and development fund		62,722,670,000	62,722,670,000
418	5. Financial reserve fund		138,256,803,252	106,682,216,755
420	6. Undistributed earnings		677,253,152,057	766,168,054,714
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>4,998,903,980,615</b>	<b>5,089,383,284,976</b>

## OFF BALANCE SHEET ITEM

ITEM	30 June 2014	31 December 2013
Foreign currencies		
- Euro ("EUR")	12,847	12,847
- United States Dollar ("US\$")	1,055,005	825,926

  
Nguyen Thi Huynh Phuong  
Preparer

  
Ho Tran Dieu Lynh  
Chief Accountant



  
Nguyen Thi Mai Thanh  
General Director

13 August 2014



INTERIM SEPARATE INCOME STATEMENT  
for the six-month period ended 30 June 2014

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
01	1. Revenues from sale of goods and rendering of services	21.1	268,888,448,539	235,434,578,432
11	2. Cost of goods sold and services rendered	24	(109,990,971,102)	(78,625,461,653)
20	3. Gross profit		158,897,477,437	156,809,116,779
21	4. Finance income	21.2	225,500,216,154	264,714,861,990
22	5. Finance expenses	22	(8,064,201,999)	(26,218,583,533)
23	<i>In which: Interest expense</i>		<i>(11,164,210,090)</i>	<i>(24,767,956,033)</i>
25	6. General and administrative expenses	24	8,965,974,645	(46,699,300,673)
30	7. Operating profit		385,299,466,237	348,606,094,563
31	8. Other income	23	54,226,636,028	1,195,373,774
40	9. Other profit		54,226,636,028	1,195,373,774
50	10. Profit before tax		439,526,102,265	349,801,468,337
51	11. Current corporate income tax expense	25.1	(55,917,059,977)	(36,452,809,987)
52	12. Deferred income tax	25.2	724,873,351	4,222,672,902
60	13. Net profit after tax		384,333,915,639	317,571,331,252

  
\_\_\_\_\_  
Nguyen Thi Huynh Phuong  
Preparer

  
\_\_\_\_\_  
Ho Tran Dieu Lynh  
Chief Accountant

  
\_\_\_\_\_  
Nguyen Thi Mai Thanh  
General Director

13 August 2014



INTERIM SEPARATE CASH FLOW STATEMENT  
for the six-month period ended 30 June 2014

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>439,526,102,265</b>	<b>349,801,468,337</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	8, 9, 10	27,558,073,068	27,667,169,977
03	Reversal of provisions	22, 24	(33,356,108,233)	(1,625,794,289)
04	Unrealised foreign exchange gains		(101,731,675)	(68,225,768)
05	Gains from investing activities		(219,648,985,230)	(261,496,184,212)
06	Interest expense	22	11,164,210,090	24,767,956,033
08	<b>Operating income before changes in working capital</b>		<b>225,141,560,285</b>	<b>139,046,390,078</b>
09	Decrease (increase) in receivables		41,552,075,957	(3,270,937,341)
11	(Decrease) increase in payables		(64,189,165,465)	27,789,666,556
13	Interest paid		(7,184,789,893)	(9,443,489,209)
14	Corporate income tax paid	25.1	(40,640,333,702)	(17,654,475,677)
15	Other cash inflows from operating activities		5,706,054,085	5,335,568,724
16	Other cash outflows from operating activities		(1,154,410,868)	(24,640,493,174)
20	<b>Net cash flows from operating activities</b>		<b>159,230,990,399</b>	<b>117,162,229,957</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
25	Payments for purchase of shares in other entities and bank term deposits		(500,528,204,620)	(530,725,077,820)
26	Proceeds from bank term deposits and divestment in other entities		286,435,841,834	719,593,749,970
27	Interest and dividends received		204,969,533,153	264,002,870,002
30	<b>Net cash flows (used in) from investing activities</b>		<b>(9,122,829,633)</b>	<b>452,871,542,152</b>

INTERIM SEPARATE CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2014

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		260,100,000,000	-
34	Repayment of borrowings		(276,761,006,770)	(19,059,035,794)
36	Dividends paid to equity holders		(416,507,391,900)	(386,345,776,720)
40	<b>Net cash flows used in financing activities</b>		<b>(433,168,398,670)</b>	<b>(405,404,812,514)</b>
50	<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(283,060,237,904)</b>	<b>164,628,959,595</b>
60	<b>Cash and cash equivalents at beginning of period</b>		<b>462,025,467,713</b>	<b>400,384,783,064</b>
61	<b>Impact of exchange rate fluctuation</b>		<b>222,796,130</b>	<b>137,393,684</b>
70	<b>Cash and cash equivalents at end of period</b>	4	<b>179,188,025,939</b>	<b>565,151,136,343</b>



Nguyen Thi Huynh Phuong  
Preparer



Ho Tran Dieu Lynh  
Chief Accountant



Nguyen Thi Mai Thanh  
General Director

13 August 2014



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS  
as at and for the six-month period ended 30 June 2014**1. CORPORATE INFORMATION**

Refrigeration Electrical Engineering Corporation ("the Company") is a joint stock company established under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 1506/GP-UB issued on 25 December 1993 by the People's Committee of Ho Chi Minh City and the latest amended Business Registration Certificate No. 0300741143 issued by the Department of Planning and Investment of Ho Chi Minh City on 25 April 2014.

The Company is listed on the Ho Chi Minh City Stock Exchange in accordance with License No. 01/GPPH issued by the State Securities Commission on 2 June 2000.

The current principal activities of the Company are mechanical and electrical engineering services (M&E), manufacturing, real estate development and management, and strategic financial investments.

The Company's head office is located at 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 30 June 2014 was 33 (31 December 2013: 36 employees).

**2. BASIS OF PREPARATION****2.1 Accounting standards and system**

The interim separate financial statements of the Company, expressed in Vietnam Dong ("VND"), are prepared in accordance with Vietnamese Accounting System and Vietnamese Accounting Standard No. 27 - Interim Financial Reporting and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- 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 interim separate balance sheet, interim separate income statement, interim separate 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.

The Company is the parent company of the subsidiaries listed in Note 11.2 of Notes to the interim separate financial statements and it is in the process of completing the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2014 to meet the prevailing regulatory reporting requirements.

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



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

**2. BASIS OF PREPARATION** (continued)

**2.2 Applied accounting documentation system**

The Company's applied accounting documentation system is the voucher journal system.

**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 Company maintains its accounting records in VND.

**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 change in value.

**3.2 Inventories**

Inventories are stated at the lower of cost which comprises all costs of purchase and other direct costs 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 first-in, first-out basis.
Work-in-process	- cost of direct materials and labour plus attributable overheads based on the normal level of activities on a first-in, first-out basis.

*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 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 interim separate income statement.

**3.3 Receivables**

Receivables are presented in the interim separate financial statements at the carrying amounts due from customers and other debtors, along with the 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 interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

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

#### 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 interim separate income statement as incurred.

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

#### 3.5 *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 a specific asset and the arrangement conveys a right to use the asset.

*Where the Company is the lessor*

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

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

*Where the Company is the lessee*

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

#### 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.

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

*Land use right*

The land use right represents the cost to acquire the right to use land and is amortised over the remaining useful life of the land of 36 years and three months starting from August 2007.

#### 3.7 *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	5 - 50 years
Motor vehicles	6 years
Office equipment	3 - 5 years
Land use right	36 years
Software	1 - 3 years
Others	4 years



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

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

#### 3.7 *Depreciation and amortisation* (continued)

The useful life of the fixed assets and depreciation and amortisation rates are reviewed periodically to ensure that the method and the period of the depreciation and amortisation are consistent with the expected pattern of economic benefits that will be derived from the use of fixed assets.

#### 3.8 *Investment properties*

Investment properties are buildings or part of a building or both and infrastructure held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services; administration purposes or sale in the ordinary course of business.

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

Subsequent expenditure relating to an investment property that has already been recognized 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 & structures	5 - 50 years
Machinery & equipment	5 - 10 years
Office equipment	3 - 6 years
Others	2 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 interim separate income statement.

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.

#### 3.9 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are directly attributable to the acquisition, construction or production of any qualified assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the interim separate income statement when incurred.

#### 3.10 *Investments in subsidiaries*

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognized in the interim 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.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

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

#### 3.11 *Investments 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 recognized 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 *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. Increases and decreases to the provision balance are recorded as finance expense in the interim separate income statement.

#### 3.13 *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.

#### 3.14 *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 period, monetary assets and liabilities denominated in foreign currencies are translated at buying 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 interim separate income statement.

#### 3.15 *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.

#### 3.16 *Appropriation of net profit*

Net profit after tax is available for appropriation to shareholders after getting approval by the shareholders in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's 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 encouraging, common benefits and improvement of the employees' benefits.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

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

**3.17 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:

*Sale of goods*

Revenue from the sale of goods is recognised in the interim separate income statement when the significant risks and rewards of ownership have passed to the buyer, usually upon the delivery of the goods.

*Rendering of services*

Revenue is recognised when the services have been rendered.

*Revenue from supply and installation contracts*

Where the outcome of a construction contract can be estimated reliably and certified by customers, revenue and costs are recognised by reference to the amount of work completed at the balance sheet date. Variations in contract work and claims 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 are probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Difference between the cumulative revenue of a construction contract recognised to date and the cumulative amount of progress billings of that contract was presented as construction contract receivable based on agreed progress billings in the interim separate balance sheet.

*Office rental income*

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

*Revenue from Business Co-operation Contract ("BCC")*

Revenue is recognised when the BCC declares the profit available to parties.

*Interest income*

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

*Investment gain*

Gain from investments is recognised as income when the investment is sold.

*Dividends*

Income is recognised when the Company's entitlement as an investor to receive the dividend is established.

*Bonus shares or stock dividends*

Income is not recognised when the Company is entitled as an investor to receive bonus shares or stock dividends. The number of shares received as bonus or dividends is disclosed on the relevant note to the interim separate financial statements.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

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

#### 3.18 Taxation

##### *Current income tax*

Current income assets and liabilities for the current and prior periods 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 interim separate income statement, except when it relates to items recognised directly to equity, in which case the 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 income tax*

Deferred income tax is provided using the 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 income 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, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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 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 income tax is also dealt with in the equity account.

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



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

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

**3.19 Financial instruments**

*Financial instruments – initial recognition and presentation*

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC 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 interim 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 short-term deposits, trade and other receivables, loan receivables and investments.

Financial liabilities

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

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

*Financial instruments – subsequent 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 interim separate 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

#### 4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2014	31 December 2013
Cash on hand	34,082,616	130,868,256
Cash in banks	31,153,943,323	21,594,599,457
Cash equivalents	148,000,000,000	440,300,000,000
<b>TOTAL</b>	<b><u>179,188,025,939</u></b>	<b><u>462,025,467,713</u></b>

Cash equivalents mainly represent the short-term bank deposits with maturity of less than three months which are readily convertible into known amounts of cash without any significant risk of changes in value, and earn an average interest rate from 5% to 7% p.a.

#### 5. TRADE RECEIVABLES

	VND	
	30 June 2014	31 December 2013
Amount due from third parties	35,846,187,855	69,073,199,580
Amount due from a related party (Note 28)	2,776,670,782	3,615,575,568
<b>TOTAL</b>	<b><u>38,622,858,637</u></b>	<b><u>72,688,775,148</u></b>

#### 6. OTHER RECEIVABLES

	VND	
	30 June 2014	31 December 2013
Dividend receivable	4,115,930,000	-
Amount due from related parties (Note 28)	2,165,276,900	1,767,176,774
Interest income receivables	262,722,222	1,452,546,466
Others	3,237,622,716	13,906,341
<b>TOTAL</b>	<b><u>9,781,551,838</u></b>	<b><u>3,233,629,581</u></b>

#### 7. INVENTORIES

The inventory balance represents the installation cost relating to Hanoi Museum project which is awaiting for project finalisation procedures.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 8. TANGIBLE FIXED ASSETS

	<i>Buildings &amp; structures</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Others</i>	<i>VND Total</i>
<b>Cost:</b>					
As at 1 January 2014 and 30 June 2014	<u>15,535,842,267</u>	<u>2,829,963,829</u>	<u>309,758,749</u>	<u>576,470,000</u>	<u>19,252,034,845</u>
<i>In which:</i>					
<i>Fully depreciated</i>	3,605,254,100	999,015,784	800,265,287	576,470,000	5,981,005,171
<b>Accumulated depreciation:</b>					
As at 1 January 2014	10,026,252,947	2,653,055,869	277,962,868	576,470,000	13,533,741,684
Charges for the period	<u>238,611,764</u>	<u>152,579,004</u>	<u>5,477,075</u>	-	<u>396,667,843</u>
As at 30 June 2014	<u>10,264,864,711</u>	<u>2,805,634,873</u>	<u>283,439,943</u>	<u>576,470,000</u>	<u>13,930,409,527</u>
<b>Net carrying amount:</b>					
As at 1 January 2014	<u>5,509,589,320</u>	<u>176,907,960</u>	<u>31,795,881</u>	-	<u>5,718,293,161</u>
As at 30 June 2014	<u>5,270,977,556</u>	<u>24,328,956</u>	<u>26,318,806</u>	-	<u>5,321,625,318</u>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

9. INTANGIBLE FIXED ASSETS

	<i>Land use rights</i>	<i>Software</i>	<i>VND Total</i>
<b>Cost:</b>			
As at 1 January 2014 and 30 June 2014	<u>11,592,038,449</u>	<u>3,142,734,091</u>	<u>14,734,772,540</u>
<i>In which:</i>			
<i>Fully amortised</i>	-	215,770,773	215,770,773
<b>Accumulated amortisation:</b>			
As at 1 January 2014	1,884,296,896	1,923,166,042	3,807,462,938
Charges for the period	<u>161,000,533</u>	<u>487,827,220</u>	<u>648,827,753</u>
As at 30 June 2014	<u>2,045,297,429</u>	<u>2,410,993,262</u>	<u>4,456,290,691</u>
<b>Net carrying amount:</b>			
As at 1 January 2014	<u>9,707,741,553</u>	<u>1,219,568,049</u>	<u>10,927,309,602</u>
As at 30 June 2014	<u>9,546,741,020</u>	<u>731,740,829</u>	<u>10,278,481,849</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 10. INVESTMENT PROPERTIES

	VND				
	<i>Buildings &amp; structures</i>	<i>Machinery &amp; equipment</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost:</b>					
As at 1 January 2014 and 30 Jun 2014	774,201,284,293	237,873,019,188	90,250,454	546,453,001	1,012,711,006,936
<i>In which:</i>					
<i>Fully depreciated</i>	15,083,156,719	22,801,892,676	90,250,454	546,453,001	38,521,752,850
<i>Collateral (Note 19)</i>	9,437,896,861	-	-	-	9,437,896,861
<b>Accumulated depreciation:</b>					
As at 1 January 2014	211,608,275,600	112,418,944,815	90,250,454	546,453,001	324,663,923,870
Charges for the period	15,759,021,147	10,753,556,325	-	-	26,512,577,472
As at 30 June 2014	227,367,296,747	123,172,501,140	90,250,454	546,453,001	351,176,501,342
<b>Net carrying amount:</b>					
As at 1 January 2014	562,593,008,693	125,454,074,373	-	-	688,047,083,066
As at 30 June 2014	546,833,987,546	114,700,518,048	-	-	661,534,505,594

The fair value of the investment properties was not formally assessed and determined as at 30 June 2014. However, given the present high occupancy rate of these properties, it is management's assessment that these properties' market values are higher than their carrying values as at balance sheet date.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 11. INVESTMENTS

	VND	
	30 June 2014	31 December 2013
<b>Short-term investments</b>		
Marketable equity securities (Note 11.1)	198,075,390,875	205,143,326,709
Trust investments	-	136,179,779,918
Other short-term investment	250,000,000	1,400,000,000
Provision for diminution in value of equity securities	(86,177,916,879)	(90,667,712,342)
<b>Net value of short-term investments</b>	<b>112,147,473,996</b>	<b>252,055,394,285</b>
<b>Long-term investments</b>		
Investments in subsidiaries (Note 11.2)	1,136,900,449,099	517,752,272,525
Investments in associates and joint venture (Note 11.3)	2,123,437,098,051	2,297,510,708,221
Other long-term equity investments (Note 11.4)	768,759,411,060	844,975,129,605
Provision for diminution in value of long-term investments	(73,737,556,000)	(74,176,184,910)
<b>Net value of long-term investments</b>	<b>3,955,359,402,210</b>	<b>3,586,061,925,441</b>
<b>TOTAL</b>	<b>4,067,506,876,206</b>	<b>3,838,117,319,726</b>

### 11.1 Investments in marketable securities

Securities	30 June 2014		31 Dec 2013	
	Quantity (shares)	Amount (VND)	Quantity (shares)	Amount (VND)
Ut Xi Aquatic Products Processing Joint Stock Company	1,491,176	60,411,760,000	1,491,176	60,411,760,000
Khanh Hoa Water Supply Joint Stock Company	4,060,600	53,193,860,000	4,060,600	53,193,860,000
Saigon Posts And Telecommunications Service Joint Stock Corporation	1,078,845	48,000,000,000	1,078,845	48,000,000,000
Vang Danh Coal Joint Stock Company	1,329,000	14,039,257,345	1,329,000	14,039,257,345
Ree Power Joint Stock Company	781,599	7,815,990,000	781,599	7,815,990,000
Cuu Long PetroGas Transportation Joint Stock Company	638,180	6,226,146,342	1,151,260	11,231,804,877
Mang Canh Joint Stock Company	500,000	5,000,000,000	500,000	5,000,000,000
Cao Son Coal Joint Stock Company	291,300	3,262,316,629	483,600	5,448,300,210
Others	8,331	126,060,559	41	2,354,277
<b>TOTAL</b>	<b>10,179,031</b>	<b>198,075,390,875</b>	<b>10,876,121</b>	<b>205,143,326,709</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

11. INVESTMENTS (continued)

11.2 Investments in subsidiaries

Name of subsidiaries	% of interest	Cost of investments		Location	Business scope
		30 June 2014 VND	31 December 2013 VND		
ThacBa Hydropower Joint-Stock Company (*)	58.14	619,148,176,574	-	Yen Bai Province – Vietnam	Power
R.E.E Land Corporation	99.90	200,592,000,000	200,592,000,000	Ho Chi Minh City – Vietnam	Real estate
R.E.E Mechanical and Engineering Joint Stock Company	99.99	149,997,353,000	149,997,353,000	Ho Chi Minh City – Vietnam	Mechanical & Engineering
R.E.E Electric Appliances Joint Stock Company	99.99	149,992,500,000	149,992,500,000	Ho Chi Minh City – Vietnam	Electric Appliances
R.E.E Real Estate Co., Ltd.	100.00	6,000,000,000	6,000,000,000	Ho Chi Minh City – Vietnam	Office building management
Trans Orient Pte Ltd.	100.00	5,841,857,500	5,841,857,500	Singapore	Trading and logistics
Vector Corporation	99.96	5,128,562,025	5,128,562,025	Ho Chi Minh City – Vietnam	Electric Appliances
Saigon Clean Water Business and investment Joint Stock Company	99.97	200,000,000	200,000,000	Ho Chi Minh City – Vietnam	Water Supply
<b>TOTAL</b>		<b><u>1,136,900,449,099</u></b>	<b><u>517,752,272,525</u></b>		

(\*) The investment in this entity was reclassified from investments in associates following the Company's additional acquisitions to obtain control rights during the period.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 11. INVESTMENTS (continued)

### 11.3 Investments in associates and joint venture

Name	30 June 2014		31 December 2013		Business scope
	% of interest	Amount (VND)	% Interest	Amount (VND)	
<b>Associates</b>					
Pha Lai Therma Power Joint Stock Company	22.37	719,898,599,438	22.37	719,898,599,438	Power
Thu Duc Water B.O.O Corporation	42.10	409,901,420,000	42.10	409,901,420,000	Water supply
Thac Mo Hydropower Joint-Stock Company	39.02	306,317,903,232	35.48	276,730,483,765	Power
Srok Phu Mieng Hydropower Joint-Stock Company	34.24	173,015,171,175	33.85	171,263,421,175	Power
Vietnam Infrastructure and Real Estate Joint Stock Company	46.37	170,195,680,000	46.37	170,195,680,000	Real estate
Thu Duc Water Supply Joint Stock Company	43.11	66,116,662,345	43.11	66,010,670,705	Water supply
Nui Beo Coal Joint Stock Company	23.81	59,389,030,169	23.62	58,880,268,169	Coal Mining
Ninh Binh Thermal Power Joint-Stock Company	24.61	55,515,588,342	24.61	55,515,588,342	Power
Saigon Real Estate Joint Stock Company	28.87	54,457,202,000	28.87	54,457,202,000	Real estate
Deo Nai Coal Joint Stock Company	24.01	46,029,841,350	24.01	46,029,841,350	Coal Mining
Saigon Water Investment and Trading Joint Stock Company	30.00	45,000,000,000	30.00	45,000,000,000	Water supply
Tan Hiep Water Investment Joint Stock Company.	32.00	17,600,000,000	-	-	Water supply
Thac Ba Hydropower Joint-Stock Company (Note 11.2)	-	-	23.97	223,379,420,325	Power
<b>Joint venture</b>					
Building at 41B Ly Thai To, Hanoi	-	-	40.00	248,112,952	Real estate
<b>TOTAL</b>		<b><u>2,123,437,098,051</u></b>		<b><u>2,297,510,708,221</u></b>	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 11. INVESTMENTS (continued)

### 11.4 Other long-term equity investments

Securities	30 June 2014		31 December 2013	
	Quantity (shares)	Amount (VND)	Quantity (shares)	Amount (VND)
Quang Ninh Thermal Power Joint Stock Company	42,085,353	470,646,304,200	42,085,353	470,646,304,200
Sonadezi Chau Duc Shareholding Company	10,463,500	183,876,590,000	10,463,500	183,876,590,000
Others	10,776,788	114,236,516,860	16,431,798	190,452,235,405
<b>TOTAL</b>	<b>63,325,641</b>	<b>768,759,411,060</b>	<b>68,980,651</b>	<b>844,975,129,605</b>

## 12. SHORT-TERM LOANS

	VND	
	30 June 2014	31 December 2013
Current portion of long-term loans (Note 19)	33,992,278,010	33,543,546,230

## 13. TRADE PAYABLES

	VND	
	30 June 2014	31 December 2013
Amount due to related parties (Note 28)	31,629,242,568	33,883,926,682
Amount due to third parties	658,559,641	758,786,877
<b>TOTAL</b>	<b>32,287,802,209</b>	<b>34,642,713,559</b>

## 14. ADVANCES FROM CUSTOMERS

Advances from customers mainly represent the advances for the supply and installation construction contracts.

## 15. STATUTORY OBLIGATIONS

	VND	
	30 June 2014	31 December 2013
Corporate income tax (Note 25.1)	22,123,330,475	6,846,604,200
Personal income tax	104,515,570	249,847,680
<b>TOTAL</b>	<b>22,227,846,045</b>	<b>7,096,451,880</b>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

**16. ACCRUED EXPENSES**

	VND	
	30 June 2014	31 December 2013
Interest expense	5,032,800,000	1,222,023,803
Others	876,160,938	876,160,938
<b>TOTAL</b>	<b>5,908,960,938</b>	<b>2,098,184,741</b>

**17. OTHER PAYABLES**

	VND	
	30 June 2014	31 December 2013
Dividends payable	17,948,747,076	12,562,318,176
Warranty expenses	5,267,988,735	5,267,988,735
Other payable to a related party (Note 28)	3,513,455,127	5,267,030,681
Interest payables	3,168,644,000	3,000,000,000
Performance bonus	-	52,351,701,802
Payable for purchase of securities	-	1,384,577,000
Others	1,697,926,452	2,542,248,279
<b>TOTAL</b>	<b>31,596,761,390</b>	<b>82,375,864,673</b>

**18. OTHER LONG-TERM LIABILITIES**

Other long-term liabilities mainly represent deposits received from office tenants.

**19. LONG-TERM LOANS**

	VND	
	30 June 2014	31 December 2013
Convertible bonds (*)	138,900,000,000	138,900,000,000
Long-term loans (**)	115,750,808,530	132,411,815,300
<b>TOTAL</b>	<b>254,650,808,530</b>	<b>271,311,815,300</b>
<i>In which: Current portion (Note 12)</i>	<i>33,992,278,010</i>	<i>33,543,546,230</i>
<i>Non-current portion</i>	<i>220,658,530,520</i>	<i>237,768,269,070</i>

(\*) Convertible bonds:

In accordance with the Board of Directors' Resolution No. 10/2012/HĐQT-NQ-REE dated 14 November 2012 and the approval by the State Securities Commission of Vietnam through its official letter No. 4963/UBCK-QLPH dated 7 December 2012, on 20 December 2012, the Company issued 557,846 3-year convertible bonds totaling VND 557,846,000,000 to Platinum Victory Pte. Ltd with interest at 6% per annum paid in arrears. The bonds will be automatically converted into shares when there is a room for foreign ownership in REE shares at conversion date. The conversion price is VND 22,000 per share which will be subject to conversion adjustments as set out in schedule of convertible bond subscription agreement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

19. LONG-TERM LOANS (continued)

(\*\*) Details of the long-term loans are as follows:

Facility No.	30 June 2013 (VND)	Maturity date	Interest rate	Description of collateral
<b>Joint Stock Commercial Bank for Foreign Trade of Vietnam</b>				
HĐTĐ0003/DTDA/10CD	64,000,000,000	1 June 2018	9.8% p.a	Unsecured
<b>Commonwealth Bank of Australia – Ho Chi Minh City Branch</b>				
HĐTĐ500112036/FL-CBAVN	51,750,808,530	7 March 2017	6.2% p.a	Assets at 180 Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City
<b>TOTAL</b>	<b><u>115,750,808,530</u></b>			

On 31 March 2010, the Company signed an agreement with Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank") for a VND 200 billion credit facility to finance the construction of the Ree Tower at 9 Doan Van Bo Street, District 4, HCMC. The term of the borrowing is 96 months from the date of the first draw down which was made on 1 June 2010. The loan will be repaid on a quarterly basis in accordance with the repayment schedule approved by Vietcombank to be issued after the grace period of 24 months expires from the first drawdown. The loan is unsecured and bears an interest rate equal to the 12-month deposit rate announced by Vietcombank plus 2.8% per annum for amounts drawn in Vietnamese Dong or at Vietcombank 12-month deposit rate plus 2.5% per annum for amounts drawn in the United States Dollar.

On 3 March 2012, the Company signed an agreement with Commonwealth Bank of Australia ("CBA") - Ho Chi Minh City Branch - for a VND 73 billion to finance the construction of the Ree Tower at 9 Doan Van Bo Street, District 4, HCMC. The term of the borrowing is 60 months from the date of the first draw down which was made on 7 March 2012. The loan will be repaid on a quarterly basis in accordance with the repayment schedule approved by CBA to be issued after the grace period of 12 months expires from the first drawdown. The loan is secured by assets at 180 Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City amounting to VND 9,437,896,861 (Note 10). The loan bears an interest rate equal to the 3-month deposit rate announced by CBA plus 2.5% per annum.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 20. OWNERS' EQUITY

### *Increase and decrease in owners' equity*

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings	VND Total
<b>For the six-month period ended 30 June 2013</b>							
As at 1 January 2013	2,446,433,850,000	774,134,096,786	(31,342,660)	62,722,670,000	75,573,265,871	574,673,797,960	3,933,506,337,957
Net profit for the period	-	-	-	-	-	317,571,331,252	317,571,331,252
Fund appropriation	-	-	-	-	31,108,950,884	(31,108,950,884)	-
Declared dividend	-	-	-	-	-	(391,425,020,800)	(391,425,020,800)
Appropriation to bonus and welfare funds	-	-	-	-	-	(19,540,851,673)	(19,540,851,673)
As at 30 June 2013	<u>2,446,433,850,000</u>	<u>774,134,096,786</u>	<u>(31,342,660)</u>	<u>62,722,670,000</u>	<u>106,682,216,755</u>	<u>450,170,305,855</u>	<u>3,840,111,796,736</u>
<b>For the six-month period ended 30 June 2014</b>							
As at 1 January 2014	2,636,863,850,000	1,002,650,096,786	(31,342,660)	62,722,670,000	106,682,216,755	766,168,054,714	4,575,055,545,595
Issue ESOP shares	19,651,540,000	-	-	-	-	-	19,651,540,000
Net profit for the period	-	-	-	-	-	384,333,915,639	384,333,915,639
Fund appropriation	-	-	-	-	31,574,586,497	(31,574,586,497)	-
Declared dividend	-	-	-	-	-	(421,893,820,800)	(421,893,820,800)
Appropriation to bonus and welfare funds	-	-	-	-	-	(19,780,410,999)	(19,780,410,999)
As at 30 June 2014	<u>2,656,515,390,000</u>	<u>1,002,650,096,786</u>	<u>(31,342,660)</u>	<u>62,722,670,000</u>	<u>138,256,803,252</u>	<u>677,253,152,057</u>	<u>4,537,366,769,435</u>

Par value of the Company's shares is VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 21. REVENUES

### 21.1 Revenues from sale of goods and rendering of services

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
<b>Gross and net revenues from sale of goods and rendering of services</b>	<b><u>268,888,448,539</u></b>	<b><u>235,434,578,432</u></b>
<i>Of which:</i>		
<i>Revenue from services (office leasing and related services)</i>	<i>235,275,367,207</i>	<i>235,434,578,432</i>
<i>Revenue from supply and installation services</i>	<i>33,613,081,332</i>	<i>-</i>

### 21.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Dividends income	197,722,363,345	222,328,399,700
Gains from divestments of equity securities	13,221,290,257	21,492,787
Interest income	10,173,275,564	41,988,434,835
Foreign exchange gains	4,383,286,988	376,534,668
<b>TOTAL</b>	<b><u>225,500,216,154</u></b>	<b><u>264,714,861,990</u></b>

## 22. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Interest expense	11,164,210,090	24,767,956,033
Loss from divestments of equity securities	1,467,943,936	1,252,274,196
Foreign exchange losses	-	234,278,679
Reversal of provision for diminution in value of investments	(4,928,424,373)	(1,625,794,289)
Others	360,472,346	1,589,868,914
<b>TOTAL</b>	<b><u>8,064,201,999</u></b>	<b><u>26,218,583,533</u></b>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 23 OTHER INCOME

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Reversal of the 2013 performance bonus	52,351,701,802	-
Others	1,874,934,226	1,195,373,774
<b>TOTAL</b>	<b><u>54,226,636,028</u></b>	<b><u>1,195,373,774</u></b>

## 24. OPERATION COST

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Expenses for external services	83,298,465,096	51,825,838,143
Depreciation and amortisation (Notes 8, 9 and 10)	27,558,073,068	27,667,169,977
Salary	6,274,093,233	4,959,203,986
Reversal of provision for doubtful debts	(28,427,683,860)	-
Others	12,322,048,920	40,872,550,220
<b>TOTAL</b>	<b><u>101,024,996,457</u></b>	<b><u>125,324,762,326</u></b>

## 25. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits earned from all operations.

The tax returns of the Company are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the interim separate financial statements could be changed at a later date upon final determination by the tax authorities.

### 25.1 Current CIT

The current tax payable is based on taxable profit for the period. The taxable profit of the Company for the period differs from the profit as reported in the interim separate income statement because it excludes items of income or expense that are taxable or deductible in other periods 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

25. **CORPORATE INCOME TAX** (continued)

25.1 *Current CIT* (continued)

A summary of CIT computation is presented below:

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
<b>Profit before tax</b>	<b>439,526,102,265</b>	<b>349,801,468,337</b>
<b>Adjustments to increase (decrease) accounting profit</b>		
Accrued interest expenses on convertible bonds	4,167,000,000	16,735,380,000
Other non-deductible expenses	1,811,491,730	180,420,254
Accrued commission	876,160,938	-
Unrealized foreign exchange losses	2,017,933	155,311,607
Dividends income not subject to CIT	(197,722,363,345)	(222,328,399,700)
Remuneration of the Board of Directors	(1,750,300,000)	-
<b>Estimated current taxable profit</b>	<b>246,910,109,521</b>	<b>144,544,180,498</b>
<b>Estimated current CIT expense</b>	<b>54,320,224,095</b>	<b>36,136,045,125</b>
CIT payable (overpaid) at beginning of period	6,846,604,200	(4,257,725,465)
CIT paid during the period	(40,640,333,702)	(17,654,475,677)
Adjustment for accruals of CIT in prior periods	1,596,835,882	316,764,862
<b>CIT payable at end of period</b>	<b>22,123,330,475</b>	<b>14,540,608,845</b>

25.2 *Deferred CIT*

The following are the deferred tax assets and liabilities recognized by the Company, and the movements thereon, during the current and prior reporting period.

	<i>Interim separate balance sheet</i>		<i>Interim separate income statement</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Accrued cost of sales	20,178,282,452	20,178,282,452	-	-
Provision for doubtful debts	4,939,014,595	4,939,014,595	-	-
Provision for investments	1,448,575,561	1,448,575,561	-	-
Accrual for interest expense	977,856,000	61,116,000	916,740,000	4,183,845,000
Accrued commission	192,755,408	-	192,755,408	-
Depreciation	43,827,483	43,827,483	-	112,058,906
Unrealised foreign differences	(22,380,969)	(22,824,913)	443,943	38,827,902
Unbilled contract revenue	(21,111,056,400)	(21,111,056,400)	-	-
<b>Net deferred tax assets</b>	<b>6,646,874,130</b>	<b>5,922,000,778</b>		
<i>Net deferred income tax benefit credit to interim separate income statement</i>			<b>724,873,351</b>	<b>4,222,672,902</b>



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities comprise loans, borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company also hold available-for-sale investment. In addition, the Company issued convertible bonds to finance its investment activities.

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 bond, loans and borrowings, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 30 June 2014 and 31 December 2013.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that the statement of the balance sheet relates to available-for-sale debt instrument; the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2014 and 31 December 2013.

***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 and loans.

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

26. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)

**Market risk** (continued)

*Interest rate sensitivity*

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of cash, bank term-deposit, loans and borrowings. With all other variables held constant, the Company's profit before tax is affected as follows:

	<i>Change in interest rate (%)</i>	<i>VND Impact to profit before tax</i>
<b>For the six-month period ended 30 June 2014</b>		
VND	+2	1,171,714,490
US\$	+1	44,793,283
<b>TOTAL</b>		<b><u>1,216,507,773</u></b>
VND	-2	(1,171,714,490)
US\$	-1	(44,793,283)
<b>TOTAL</b>		<b><u>(1,216,507,773)</u></b>
<b>For the six-month period ended 30 June 2013</b>		
VND	+2	8,832,488,396
US\$	+1	5,163,662
<b>TOTAL</b>		<b><u>8,837,652,058</u></b>
VND	-2	(8,832,488,396)
US\$	-1	(5,163,662)
<b>TOTAL</b>		<b><u>(8,837,652,058)</u></b>

*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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (certain expenses, incomes of the Company are denominated in currencies other than the VND). The Company considers that the exposure to foreign currency risk is insignificant.

The Company manages its foreign currency exposure by considering the prevailing and expected market situation when it plans for future transactions denominated in foreign currencies.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

26. **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 Board of Directors reviews and approves all equity investment decisions.

As at 30 June 2014, the exposure to listed equity and unlisted equity securities at fair value was VND 819,217,766,138 (31 December 2013: VND 1,065,787,578,781). A decrease of 10% on the stock market index could have an impact of approximately VND 81,921,776,614 (31 December 2013: VND 106,578,757,878) 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 increase Company's profit before tax by VND 81,921,776,614 (31 December 2013: VND 106,578,757,878).

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or 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. The Company's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. The Company seeks to maintain strict control over its outstanding receivables and has a credit control personnel 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. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

*Other financial instruments*

Management evaluates all financial assets are neither past due nor impaired as they related to recognized and creditworthy counterparties except for the receivables which were past due and made provision of VND 22,674,739,814 as at 30 June 2014 (31 December 2013: VND 51,102,423,674).

**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 maintaining a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*Liquidity risk* (continued)

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

	<i>Less than 3 months</i>	<i>From 3 to 12 months</i>	<i>From 1 to 5 years</i>	<i>VND Total</i>
<b>As at 30 June 2014</b>				
Loans and borrowings	-	33,992,278,010	81,758,530,520	115,750,808,530
Convertible bonds	-	-	138,900,000,000	138,900,000,000
Trade payables	32,287,802,209	-	-	32,287,802,209
Other payables and accrued expenses	37,505,722,328	-	98,262,722,295	135,768,444,623
<b>TOTAL</b>	<b>69,793,524,537</b>	<b>33,992,278,010</b>	<b>318,921,252,815</b>	<b>422,707,055,362</b>
<b>As at 31 December 2013</b>				
Loans and borrowings	-	33,543,546,230	98,868,269,070	132,411,815,300
Convertible bonds	-	-	138,900,000,000	138,900,000,000
Trade payables	34,642,713,559	-	-	34,642,713,559
Other payables and accrued expenses	62,122,347,612	-	94,942,627,481	157,064,975,093
<b>TOTAL</b>	<b>96,765,061,171</b>	<b>33,543,546,230</b>	<b>332,710,896,551</b>	<b>463,019,503,952</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 and debt maturing within 12 months can be rolled over with existing lenders.



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period then ended 30 June 2014

## 27. 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 interim separate financial statements.

VND

	<i>Carrying amount</i>				<i>Fair value</i>	
	<i>30 June 2014</i>		<i>31 December 2013</i>		<i>30 June 2014</i>	<i>31 December 2013</i>
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>		
<b>Financial assets</b>						
Listed shares	74,790,297,735	(2,961,791,848)	282,007,922,884	(7,890,177,885)	84,122,271,600	318,450,984,800
Unlisted shares	892,044,504,200	(156,949,009,662)	904,290,313,348	(156,953,719,367)	735,095,494,538	747,336,593,981
Trade receivables	38,622,858,637	(22,674,739,814)	72,688,775,148	(51,102,423,674)	15,948,118,823	21,586,351,474
Other receivables	38,058,583,035	-	42,618,569,735	-	38,058,583,035	42,618,569,735
Cash and cash equivalents	179,188,025,939	-	462,025,467,713	-	179,188,025,939	462,025,467,713
<b>TOTAL</b>	<b>1,222,704,269,546</b>	<b>(182,585,541,324)</b>	<b>1,763,631,048,828</b>	<b>(215,946,320,926)</b>	<b>1,052,412,493,935</b>	<b>1,592,017,967,703</b>

VND

	<i>Carrying amount</i>		<i>Fair value</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>	<i>30 June 2014</i>	<i>31 December 2013</i>
	<b>Financial liabilities</b>			
Loans and borrowings	254,650,808,530	271,311,815,300	254,650,808,530	271,311,815,300
Trade payables	32,287,802,209	34,642,713,559	32,287,802,209	34,642,713,559
Other payables	135,768,444,623	180,162,456,895	135,768,444,623	180,162,456,895
<b>TOTAL</b>	<b>422,707,055,362</b>	<b>486,116,985,754</b>	<b>422,707,055,362</b>	<b>486,116,985,754</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 27. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair value of listed shares/bonds have been determined based on their closing price in the Ho Chi Minh Stock Exchange or their average trading price in Hanoi Stock Exchange as at the balance sheet date.

Fair value 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 value of the financial assets and liabilities had not yet been formally assessed and determined as at 30 June 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 balance sheet date.

## 28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related company transactions include all transactions undertaken with other companies to which the Company is related, either through the investor, investee relationship or because they share a common investor and thus are considered to be a part of the same corporate company.

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Amounts</i>
R.E.E Mechanical and Engineering Joint Stock Company	Subsidiary	Expense of supply and installation services	(33,613,081,333)
		Dividend income	23,316,598,294
		Rental income	780,283,790
R.E.E Electric Appliances Joint Stock Company	Subsidiary	Dividend income	25,789,735,586
		Rental income	563,957,156
		Services expense	(1,720,000)
R.E.E Real Estate Co., Ltd.	Subsidiary	Management fees	(21,036,678,603)
		Rental income	10,129,022,417
R.E.E Land Corporation	Subsidiary	Loan	100,000,000,000
		Dividend income	5,594,400,000
		Loan interest expense	(1,245,833,333)
		Rental income	15,122,500
Saigon Real Estate Joint Stock Company	Associate	Dividend income	1,905,094,000
Thac Mo Hydropower Joint-Stock Company	Associate	Capital contribution	(29,587,419,468)
Ninh Binh Thermal Power Joint-Stock Company	Associate	Dividend income	4,115,930,000
Srok Phu Mieng Hydropower Joint-Stock Company	Associate	Capital contribution	(1,751,750,000)
Pha Lai Thermal Power Joint Stock Company	Associate	Dividend income	56,925,656,000



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

28. **TRANSACTIONS AND BALANCES WITH RELATED PARTIES** (continued)

Significant transactions with related parties during the period were as follows: (continued)

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Amounts</i>
Deo Nai Coal Joint Stock Company	Associate	Dividend income	3,457,890,000
Nui Beo Coal Joint Stock Company	Associate	Capital contribution Dividend income	(508,762,000) 9,260,438,600
Thu Duc Water Supply Joint Stock Company	Associate	Capital contribution Dividend income	(105,991,640) 4,397,664,000
Tan Hiep Water Investment Joint Stock Company	Associate	Capital contribution	(17,600,000,000)

Amounts due to and due from related parties at the balance sheet date were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Receivable/ (Payable)</i>
<b>Trade receivable</b>			
R.E.E Electric Appliances Joint Stock Company	Subsidiary	Rental income	<u>2,776,670,782</u>
<b>Other receivables</b>			
R.E.E Real Estate Co., Ltd.	Subsidiary	Services income	2,017,909,325
R.E.E Land Corporation	Subsidiary	Services income	3,013,556
R.E.E Electric Appliances Joint Stock Company	Subsidiary	Management income	34,433,707
R.E.E Mechanical and Engineering Joint Stock Company	Subsidiary	Management income Advance	88,736,346 21,183,966
			<u><b>2,165,276,900</b></u>
<b>Trade payables</b>			
R.E.E Mechanical and Engineering Joint Stock Company	Subsidiary	Expense of supply and installation services	(28,010,932,618)
R.E.E Real Estate Co., Ltd.	Subsidiary	Management charge	<u>(3,618,309,950)</u>
			<u><b>(31,629,242,568)</b></u>
<b>Other payable</b>			
R.E.E Real Estate Co., Ltd.	Subsidiary	Management charge	<u>(3,513,455,127)</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the six-month period ended 30 June 2014

## 29. COMMITMENTS

### *Guarantees as at 30 June 2014*

The Company has guaranteed for the Contract Guarantee and Payment Guarantee of Trans Orient Limited Company-its subsidiary at Hongkong and Shanghai Banking Corporation Limited to a maximum amount of VND 41,944,927,444.

The Company also has guaranteed for the Payment Guarantee for the limited credit of R.E.E Mechanical and Engineering Joint Stock Company-its subsidiary at Joint Stock Commercial Bank For Foreign Trade Of Vietnam to an amount of VND 60,000,000,000.

## 30. CONTINGENT ASSET

On 28 September 2011, the Company entered into a Restructuring Deed to transfer all of its ownership in Vung Ang II Thermo Electricity Company ("VAPCO"). According to this deed, all risks and rewards of the Company in VAPCO were passed to the buyer on 14 November 2011. Proceeds from disposal amounting to VND 153,323,885,510 were fully collected and this amount is non-refundable in any circumstances.

Also in accordance with this agreement, the Company may receive US\$ 3,779,832 in addition to said proceed upon the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company. All parties will complete related administrative procedures at the completion date of the Deed. Accordingly, management accounted this amount as contingent asset and accordingly disclosed in the interim separate financial statements in accordance with Vietnamese Accounting Standard No. 18 - "Provision, Contingent assets and liabilities".

## 31. 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 interim separate financial statements.



Nguyen Thi Huynh Phuong  
Preparer



Ho Tran Dieu Lynh  
Chief Accountant



Nguyen Thi Mai Thanh  
General Director

13 August 2014