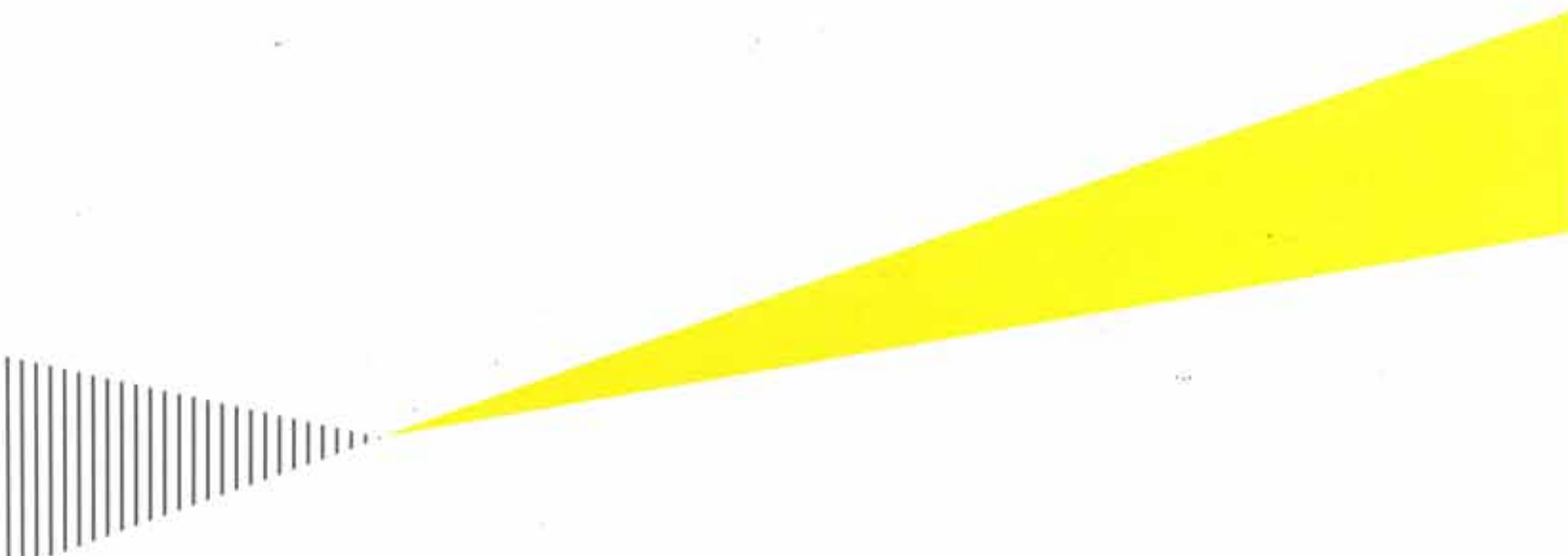


# Refrigeration Electrical Engineering Corporation

Consolidated financial statements

31 December 2014



Building a better  
working world

# Refrigeration Electrical Engineering Corporation

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# 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 dated 25 December 1993 issued 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 18 December 2014.

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

The current principal activities of the Company and its subsidiaries ("the Group") are mechanical and electrical engineering services (M&E), manufacturing, assembling and sales of air-conditioner systems, real estate development and management, and strategic financial investments in infrastructure related sector.

The Company's head office is located at 364 Cong Hoa Street, Ward 13, Tan Binh 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:

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 year 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

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

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 year 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 Corporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2014.

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

Management is responsible for the consolidated financial statements of the Group which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated 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 consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group 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 consolidated financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2014 and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.

For and on behalf of the management:



Nguyễn Thị Mai Thanh  
General Director

5 March 2015



Reference: 60752771/16998193-HN

## **INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders and the Board of Directors of Refrigeration Electrical Engineering Corporation**

We have audited the accompanying consolidated financial statements of Refrigeration Electrical Engineering Corporation ("the Company") and its subsidiaries (collectively referred to as the "Group") as prepared on 5 March 2015 and set out on pages 5 to 51, which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated income statement and consolidated 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 consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2014, and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.



**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

5 March 2015

CONSOLIDATED BALANCE SHEET  
as at 31 December 2014

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>2,966,586,420,754</b>	<b>2,561,941,483,792</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>5</b>	<b>1,036,655,683,725</b>	<b>535,795,614,565</b>
111	1. Cash		131,144,669,536	67,561,903,838
112	2. Cash equivalents		905,511,014,189	468,233,710,727
<b>120</b>	<b>II. Short-term investments</b>	<b>14</b>	<b>249,839,701,655</b>	<b>416,693,781,070</b>
121	1. Short-term investments		336,615,140,510	507,361,493,412
129	2. Provision for diminution in value of investments		(86,775,438,855)	(90,667,712,342)
<b>130</b>	<b>III. Accounts receivable</b>		<b>1,031,317,335,346</b>	<b>1,002,628,925,985</b>
131	1. Trade receivables		662,576,397,969	685,334,062,970
132	2. Advances to suppliers	6	49,613,867,487	107,603,315,922
134	3. Construction contract receivables based on agreed progress billings		293,016,174,092	271,275,647,307
135	4. Other receivables	7	82,602,892,836	17,821,338,112
139	5. Provision for doubtful debts		(56,491,997,038)	(79,405,438,326)
<b>140</b>	<b>IV. Inventories</b>	<b>8</b>	<b>598,432,151,160</b>	<b>544,225,294,953</b>
141	1. Inventories		644,280,881,448	587,081,594,462
149	2. Provision for obsolete inventories		(45,848,730,288)	(42,856,299,509)
<b>150</b>	<b>V. Other current assets</b>		<b>50,341,548,868</b>	<b>62,597,867,219</b>
151	1. Short-term prepaid expenses		1,553,359,703	2,299,243,483
152	2. Value-added tax deductible		9,383,396,222	11,218,307,369
154	3. Tax receivables from the State		2,995,892,066	2,667,098,231
158	4. Other current assets	9	36,408,900,877	46,413,218,136
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>5,436,599,961,512</b>	<b>4,392,508,231,553</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>563,895,510,668</b>	<b>41,715,151,193</b>
221	1. Tangible fixed assets	10	494,482,692,573	20,694,232,156
222	Cost		1,471,793,105,644	50,258,821,108
223	Accumulated depreciation		(977,310,413,071)	(29,564,588,952)
227	2. Intangible assets	11	34,917,102,714	13,868,087,324
228	Cost		48,464,134,380	22,682,697,804
229	Accumulated amortisation		(13,547,031,666)	(8,814,610,480)
230	3. Construction in progress	12	34,495,715,381	7,152,831,713
<b>240</b>	<b>II. Investment properties</b>	<b>13</b>	<b>635,021,928,112</b>	<b>688,047,083,066</b>
241	1. Cost		1,012,711,006,936	1,012,711,006,936
242	2. Accumulated depreciation		(377,689,078,824)	(324,663,923,870)
<b>250</b>	<b>III. Long-term investments</b>	<b>14</b>	<b>4,117,399,245,546</b>	<b>3,628,846,104,921</b>
252	1. Investments in joint ventures and associates		3,262,728,074,001	2,848,097,188,076
258	2. Other long-term investments		928,408,727,545	854,925,101,755
259	3. Provision for long-term investments		(73,737,556,000)	(74,176,184,910)
<b>260</b>	<b>IV. Other long-term assets</b>		<b>40,870,516,057</b>	<b>33,899,892,373</b>
261	1. Long-term prepaid expenses		273,265,509	467,827,702
262	2. Deferred tax assets	25.2	35,774,376,938	28,609,191,061
268	3. Other long-term assets		4,822,873,610	4,822,873,610
<b>269</b>	<b>V. Goodwill</b>	<b>4</b>	<b>79,412,761,129</b>	<b>-</b>
<b>270</b>	<b>TOTAL ASSETS</b>		<b>8,403,186,382,266</b>	<b>6,954,449,715,345</b>



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2014

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>A. LIABILITIES</b>		<b>2,064,935,777,019</b>	<b>1,753,250,803,816</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,551,093,148,779</b>	<b>1,420,506,538,305</b>
311	1. Short-term loans	15	300,900,213,273	285,115,492,833
312	2. Trade payables	16	195,962,004,001	168,707,988,402
313	3. Advances from customers		690,740,256,867	562,524,966,309
314	4. Statutory obligations	17	58,898,209,762	31,148,901,117
315	5. Payables to employees		18,481,108,712	4,497,156,182
316	6. Accrued expenses	18	155,780,388,690	236,429,736,434
318	7. Construction contract payables based on agreed progress billings		22,198,143,836	30,044,289,809
319	8. Other payables	19	82,463,463,151	81,266,863,259
320	9. Short-term provision		22,542,829,976	19,439,676,451
323	10. Bonus and welfare fund		3,126,530,511	1,331,467,509
<b>330</b>	<b>II. Non-current liabilities</b>		<b>513,842,628,240</b>	<b>332,744,265,511</b>
333	1. Other long-term liabilities	20	103,938,560,278	94,975,996,441
334	2. Long-term loans	21	409,904,067,962	237,768,269,070
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>5,910,153,645,698</b>	<b>5,196,623,129,512</b>
<b>410</b>	<b>I. Capital</b>	<b>22</b>	<b>5,910,153,645,698</b>	<b>5,196,623,129,512</b>
411	1. Share capital		2,690,705,390,000	2,636,863,850,000
412	2. Share premium		1,043,934,058,786	1,002,906,058,786
414	3. Treasury shares		(31,342,660)	(31,342,660)
416	4. Foreign exchange difference reserves		607,401,381	526,675,337
417	5. Investment and development fund		70,417,784,211	70,417,784,211
418	6. Financial reserve fund		165,223,365,540	132,211,138,788
420	7. Retained earnings		1,939,296,988,440	1,353,728,965,050
<b>439</b>	<b>C. MINORITY INTERESTS</b>		<b>428,096,959,549</b>	<b>4,575,782,017</b>
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>8,403,186,382,266</b>	<b>6,954,449,715,345</b>



CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2014

## OFF CONSOLIDATED BALANCE SHEET ITEM

ITEM	Ending balance	Beginning balance
Foreign currencies:		
- USD	1,538,714	5,693,295
- EUR	3,883	988,750
- SGD	-	987
- JPY	-	17,280,800



Pham Thi Uyen Phuong  
Preparer



Ho Tran Dieu Linh  
Chief Accountant



Nguyen Thi Mai Thanh  
General Director

5 March 2015

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	23.1	2,630,675,383,788	2,414,569,501,626
02	2. Deductions	23.1	(1,288,909,410)	(1,162,516,333)
10	3. Net revenues from sale of goods and rendering of services	23.1	2,629,386,474,378	2,413,406,985,293
11	4. Costs of goods sold and services rendered		(1,826,827,161,061)	(1,810,301,703,227)
20	5. Gross profit from sale of goods and rendering of services		802,559,313,317	603,105,282,066
21	6. Finance income	23.2	459,521,649,291	352,660,891,530
22 23	7. Finance expenses In which: Interest expense	24	(42,150,610,779) (37,413,873,577)	(86,225,910,092) (57,146,113,236)
24	8. Selling expenses		(45,371,054,248)	(49,602,600,291)
25	9. General and administrative expenses		(131,322,486,521)	(166,177,547,374)
30	10. Operating profit		1,043,236,811,060	653,760,115,839
31	11. Other income		60,555,687,327	7,675,485,635
32	12. Other expenses		(7,864,058,022)	(2,554,580,816)
40	13. Other profit		52,691,629,305	5,120,904,819
45	14. Share of profit of a joint venture and associates	14.2	166,498,965,580	428,675,939,326
50	15. Profit before tax		1,262,427,405,945	1,087,556,959,984
51	16. Current corporate income tax expense	25.1	(170,939,086,266)	(122,072,887,315)
52	17. Deferred income tax benefit	25.2	7,165,185,877	10,270,124,969

CONSOLIDATED INCOME STATEMENT (continued)  
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
<b>60</b>	<b>18. Net profit after tax</b>		<b>1,098,653,505,556</b>	<b>975,754,197,638</b>
	Attributable to:			
	18.1 Minority interests		36,682,326,615	(65,085,311)
	18.2 The Company's shareholders		1,061,971,178,941	975,819,282,949
<b>70</b>	<b>19. Earnings per share</b>			
	Basic	31	4,004	3,980
	Diluted	31	3,972	3,905

  
\_\_\_\_\_  
Pham Thi Uyen Phuong  
Preparer

  
\_\_\_\_\_  
Ho Tran Dieu Linh  
Chief Accountant

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



5 March 2015



CONSOLIDATED 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>1,262,427,405,945</b>	<b>1,087,556,959,984</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11, 13	57,142,979,454	61,183,861,575
03	(Reversal of provision) provision		(26,958,372,500)	36,502,068,928
04	Unrealised foreign exchange differences		1,641,418,011	4,239,193,028
05	Gains from investing activities		(594,250,751,529)	(746,415,509,982)
06	Interest expense	24	37,413,873,577	57,146,113,236
08	<b>Operating income before changes in working capital</b>		<b>737,416,552,958</b>	<b>500,212,686,769</b>
09	Decrease (increase) in receivables		165,139,239,453	(196,564,955,208)
10	Increase in inventories		(47,679,560,051)	(71,827,049,161)
11	Increase (decrease) in payables		29,544,807,486	(89,544,387,364)
12	Decrease in prepaid expenses		940,445,132	2,449,482,485
13	Interest paid		(36,526,554,548)	(59,387,709,813)
14	Corporate income tax paid	25.2	(154,693,391,896)	(105,590,344,890)
15	Other cash inflows from operating activities		11,513,469,678	12,027,638,284
16	Other cash outflows for operating activities		(13,261,657,779)	(32,467,839,483)
20	<b>Net cash flows from (used in) operating activities</b>		<b>692,393,350,433</b>	<b>(40,692,478,381)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(43,664,421,700)	(10,269,416,267)
22	Proceeds from disposals of fixed assets		219,087,175	614,909,090
25	Payments for purchase of shares in subsidiaries, other entities and investments in term deposits		(1,021,306,398,922)	(1,633,509,317,419)
26	Proceeds from divestments in other entities and investments in term deposits		637,844,214,803	1,278,147,947,278
27	Interest and dividends received		360,857,087,016	320,868,857,243
30	<b>Net cash flows used in investing activities</b>		<b>(66,050,431,628)</b>	<b>(44,147,020,075)</b>

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

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Re-issuance of treasury shares		-	756,915,972
	Capital contribution from minority interests		32,680,000,000	4,416,660,619
33	Drawdown of borrowings		1,919,287,633,520	821,227,119,988
34	Repayment of borrowings		(1,656,149,114,188)	(652,851,999,145)
36	Dividends paid		(419,830,953,186)	(386,733,996,880)
40	<b>Net cash flows used in financing activities</b>		<b>(124,012,433,854)</b>	<b>(213,185,299,446)</b>
50	<b>Net increase (decrease) in cash and cash equivalents</b>		<b>502,330,484,951</b>	<b>(298,024,797,902)</b>
60	<b>Cash and cash equivalents at beginning of year</b>	5	<b>535,795,614,565</b>	<b>834,707,800,990</b>
61	<b>Impact of exchange rate fluctuation</b>		<b>(1,470,415,791)</b>	<b>(887,388,523)</b>
70	<b>Cash and cash equivalents at end of year</b>	5	<b>1,036,655,683,725</b>	<b>535,795,614,565</b>



Pham Thi Uyen Phuong  
Preparer



Ho Tran Dieu Linh  
Chief Accountant



Nguyen Thi Mai Thanh  
General Director

5 March 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at and for the year ended 31 December 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 dated 25 December 1993 issued 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 18 December 2014.

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

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2014 were authorised for issue.

The current principal activities of the Group are mechanical and electrical engineering services (M&E), manufacturing, assembling and sales of air-conditioner systems, real estate development and management, and strategic financial investments in infrastructure related sector.

The number of the Group's employees as at 31 December 2014 was 1,334 employees (31 December 2013: 1,239 employees).

**Corporate structure**

As at 31 December 2014, the Group's corporate structure includes twelve (12) direct subsidiaries. Details are as follows:

<i>Names</i>	<i>Location</i>	<i>Business activities</i>	<i>% of interest</i>
(1) R.E.E Real Estate Co., Ltd.	Ho Chi Minh City	Office building management	100.00
(2) Trans Orient Pte Ltd.	Singapore	Trading and logistics	100.00
(3) R.E.E Mechanical and Engineering Joint Stock Company	Ho Chi Minh City	Mechanical and Engineering	99.99
(4) R.E.E Electric Appliances Joint Stock Company	Ho Chi Minh City	Electric Appliances	99.99
(5) Eastrade International Ltd.	British Virgin Islands	Trading and logistics	99.99
(6) R.E.E Land Corporation	Ho Chi Minh City	Real estate	99.92
(7) Vinh Thinh Corporation	Ho Chi Minh City	Electric Appliances	99.96
(8) Song Thanh Real Estate Joint Stock company	Ho Chi Minh City	Real estate	73.84
(9) Song Mai Real Estate Joint Stock Company	Ho Chi Minh City	Real estate	73.92
(10) Vietnam Clean Water Business and Investment Joint Stock Company	Ho Chi Minh City	Water supply	99.97
(11) RMC Trading & Service Company Limited	Ho Chi Minh City	Trading	50.99
(12) Thac Ba Hydropower Joint-Stock Company	ồ tức tạm chỉ ce	Power	58.97



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

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

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

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

Accordingly, the accompanying consolidated balance sheet, consolidated income statement, consolidated 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 consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 *Applied accounting documentation system*

The Group's applied accounting documentation system is the Voucher Journal system.

### 2.3 *Fiscal year*

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

### 2.4 *Accounting currency*

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

### 2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries for the year ended 31 December 2014.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and in the consolidated balance sheet, separately from parent shareholders' equity.

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

### 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, consumables and goods for resale	- cost of purchase on a first-in, first-out basis.
Finished goods and 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, finished goods, and other inventories owned by the Group, 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 consolidated income statement.

#### 3.3 *Receivables*

Receivables are presented in the consolidated 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 consolidated 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 consolidated income statement as incurred.

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



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

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

**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 Group is the lessor*

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

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

*Where the Group is the lessee*

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

**3.6 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.

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

*Land use rights*

The land use rights 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
Plant & machinery	7 years
Motor vehicles	6 years
Office equipment	3 - 5 years
Land use rights	36 years
Software	1 - 3 years
Others	4 years

The useful life of the fixed assets and depreciation 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.



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

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

**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 Group.

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 consolidated 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 consolidated income statement when incurred.

**3.10 Business combination and goodwill**

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. Goodwill is amortised over a maximum period of ten (10) years from acquisition date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.11 Investments***Investment in associates*

Investments in associates are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost plus post acquisition changes in the Company's share of net assets of the associates. Goodwill relating to the associates is included in the carrying amount of the investments and is amortized over a maximum period of ten (10) years. The consolidated income statement reflects the Group's share of the results of operations of the associate.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

The financial statements of the associates are prepared for the same accounting year as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

*Investment in joint ventures*

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity which is subject to joint control. Investments in joint ventures are accounted for using the equity method of accounting.

*Investment in securities and other investments*

Investments in securities and other investments are stated at their acquisition costs.

*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 the Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009 and the Circular No. 89/2013/TT-BTC issued by the Ministry of Finance on 28 June 2013. Increases and decreases to the provision balance are recorded as finance expense in the consolidated income statement.

**3.12 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 Group.

**3.13 Foreign currency transactions**

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

**3.14 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 Group's own equity instruments.



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

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

**3.15 Appropriation of net profit**

Net profit after tax (excluding unrealised exchange gains as at the balance sheet date) 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 Group's Charter and Vietnam's regulatory requirements.

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

▶ *Financial reserve fund*

This fund is set aside to protect the Group'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 Group'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, and presented as a liability on the consolidated balance sheet.

**3.16 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 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 year 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 consolidated balance sheet.



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

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

**3.16 Revenue recognition (continued)**

*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.

*Investment gains*

Gains from investments are recognised as income when the investment is sold.

*Interest income*

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

*Dividends*

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

*Bonus shares or stock dividends*

Income is not recognised when the Group 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 consolidated financial statements.

**3.17 Earnings per share**

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary equity holders of the Company before any appropriation of bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**3.18 Taxation**

*Current income tax*

Current income tax assets and liabilities for the current and prior year 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 consolidated 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 Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

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

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

**3.18 Taxation (continued)**

*Deferred income tax*

Deferred 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 purpose.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss;
- ▶ and in respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits 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 and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred 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 tax asset to be utilised. Previously unrecognised deferred 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 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 tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group 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 when the Group intends either settle current tax liabilities and assets on a net basis.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 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 issued by the Ministry of Finance on 6 November 2009 providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the consolidated 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 Group determines the classification of its financial assets at initial recognition.

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

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

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the consolidated financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Group 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 Group's financial liabilities include trade and other payables, loans, convertible bonds 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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014

**4. BUSINESS COMBINATION**

***Acquisition of interests in Thac Ba Hydropower Joint-Stock Company***

On 22 May 2014, The Company acquired additional 21,700,000 shares of Thac Ba Hydropower Joint-Stock Company ("Thac Ba"), thereby increasing its ownership in Thac Ba from 23.97% to 58.14%.

The provisional fair values of the identifiable assets and liabilities of Thac Ba as at the date of acquisition are as follows:

	VND
	<i>Provisional fair value recognized on acquisition</i>
<b>Assets</b>	
Cash and cash equivalents	338,635,534,874
Net accounts receivable	92,202,314,861
Inventories	7,742,907,169
Tangible fixed assets	441,494,639,430
Intangible assets	18,892,576,234
Construction in progress	7,350,924,879
Investments	32,619,000,000
Other assets	913,185,011
	<b>939,851,082,458</b>
<b>Liabilities</b>	
Current liabilities	(44,561,503,890)
<b>Total identifiable net assets at fair value</b>	<b>895,289,578,568</b>
Minority interests	(374,754,287,728)
Net assets acquired	520,535,290,840
Goodwill arising on acquisition	89,819,404,203
<b>Purchase consideration</b>	<b>610,354,695,043</b>

Details of movements of goodwill during the year are as follows:

	VND
At beginning of year	-
Add: Arising on acquisition	89,819,404,203
Additional acquisition	4,563,257,627
Less: Amortisation during the year	(14,969,900,701)
At end of year	<b>79,412,761,129</b>

**5. CASH AND CASH EQUIVALENTS**

	Ending balance	Beginning balance
Cash on hand	349,622,023	426,403,439
Cash at banks	130,795,047,513	67,135,500,399
Cash equivalents	905,511,014,189	468,233,710,727
<b>TOTAL</b>	<b>1,036,655,683,725</b>	<b>535,795,614,565</b>

Cash equivalents mainly represent 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 ranging from 4% to 6% p.a.

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

6. ADVANCES TO SUPPLIERS

	VND	
	Ending balance	Beginning balance
Advances to third parties	44,102,799,272	89,378,202,905
Advances to related parties (Note 28)	5,511,068,215	18,225,113,017
<b>TOTAL</b>	<b>49,613,867,487</b>	<b>107,603,315,922</b>

7. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Other amount due from a related party (Note 28)	56,892,360,000	-
Advances to BCC-414 No Trang Long (i)	6,889,054,747	7,589,054,747
Interest income	4,016,267,012	3,614,348,150
Others	14,805,211,077	6,617,935,215
<b>TOTAL</b>	<b>82,602,892,836</b>	<b>17,821,338,112</b>

- (i) On 25 March 2008, R.E.E Land Corporation, a subsidiary of the Company, entered into a BCC with Bach Tuyet Paint Joint Stock Company to build and operate a building at 414 No Trang Long street, Ward 13, Binh Thanh District, Ho Chi Minh City. In accordance with this BCC, R.E.E Land Corporation paid consultant fee, land compensation and other costs aggregating to VND 6,889,054,747. However, as at the balance sheet date, this BCC is still waiting for the approval from the People's Committee of Ho Chi Minh City.

8. INVENTORIES

	VND	
	Ending balance	Beginning balance
Work in process	379,541,447,024	330,516,654,070
Finished goods	135,522,693,696	103,739,146,403
Raw materials	102,786,277,022	116,764,558,124
Goods in transit	25,638,311,618	35,725,950,936
Tools and supplies	792,152,088	335,284,929
<b>TOTAL</b>	<b>644,280,881,448</b>	<b>587,081,594,462</b>
Provision for obsolete inventories	(45,848,730,288)	(42,856,299,509)
<b>NET</b>	<b>598,432,151,160</b>	<b>544,225,294,953</b>

Details of movements of provision for obsolete inventories are as follows:

	VND	
	Năm nay	Năm trước
At beginning of year	42,856,299,509	14,561,122,458
Add: Provision created during the year	8,892,927,926	30,875,393,574
Less: Utilisation and reversal of provision during the year	(5,900,497,147)	(2,580,216,523)
At end of year	<b>45,848,730,288</b>	<b>42,856,299,509</b>

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

9. OTHER CURRENT ASSETS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances for land compensation	29,403,340,900	29,403,340,900
Advances to employees	6,894,559,977	15,721,393,434
Deposits	111,000,000	1,288,483,802
<b>TOTAL</b>	<b><u>36,408,900,877</u></b>	<b><u>46,413,218,136</u></b>



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

## 10. TANGIBLE FIXED ASSETS

						VND
	<i>Buildings &amp; structures</i>	<i>Plant &amp; machinery</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost:</b>						
Beginning balance	15,535,842,267	14,614,440,275	14,316,796,529	5,215,272,037	576,470,000	50,258,821,108
Additions	635,924,594,570	758,443,281,099	23,003,685,775	5,275,952,999	117,454,545	1,422,764,968,988
<i>In which:</i>						
<i>Newly purchased</i>	7,719,255,268	20,019,422,091	5,279,509,091	408,469,114	-	33,426,655,564
<i>Additions from subsidiary's acquisition</i>	628,205,339,302	738,423,859,008	17,724,176,684	4,867,483,885	117,454,545	1,389,338,313,424
<i>Disposals</i>	(323,394,442)	(72,446,343)	(659,794,335)	(175,049,332)	-	(1,230,684,452)
Ending balance	651,137,042,395	772,985,275,031	36,660,687,969	10,316,175,704	693,924,545	1,471,793,105,644
<i>In which:</i>						
<i>Fully depreciated</i>	3,605,254,100	6,016,641,337	1,668,513,756	757,430,923	576,470,000	12,624,310,116
<b>Accumulated depreciation:</b>						
Beginning balance	10,026,252,947	7,394,263,470	7,941,719,098	3,625,883,437	576,470,000	29,564,588,952
Additions	381,702,296,613	546,175,574,042	15,611,340,357	5,374,501,543	31,110,919	948,894,823,474
<i>In which:</i>						
<i>Depreciation for the year</i>	3,138,286,491	(4,629,454,819)	1,768,686,240	768,068,209	5,563,359	1,051,149,480
<i>Additions from subsidiary's acquisition</i>	378,564,010,122	550,805,028,861	13,842,654,117	4,606,433,334	25,547,560	947,843,673,994
<i>Disposals</i>	(323,394,442)	(72,446,343)	(578,109,238)	(175,049,332)	-	(1,148,999,355)
Ending balance	391,405,155,118	553,497,391,169	22,974,950,217	8,825,335,648	607,580,919	977,310,413,071
<b>Net carrying amount:</b>						
Beginning balance	5,509,589,320	7,220,176,805	6,375,077,431	1,589,388,600	-	20,694,232,156
Ending balance	259,731,887,277	219,487,883,862	13,685,737,752	1,490,840,056	86,343,626	494,482,692,573

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

## 11. INTANGIBLE ASSETS

	<i>Land use rights</i>	<i>Softwares</i>	<i>VND Total</i>
<b>Cost:</b>			
Beginning balance	11,592,038,449	11,090,659,355	22,682,697,804
Additions	25,166,676,576	614,760,000	25,781,436,576
<i>In which:</i>			
<i>Newly purchased</i>	-	614,760,000	614,760,000
<i>Addition from subsidiary's acquisition</i>	20,558,322,400	-	20,558,322,400
<i>Newly constructed</i>	4,608,354,176	-	4,608,354,176
Ending balance	36,758,715,025	11,705,419,355	48,464,134,380
<i>In which:</i>			
<i>Fully amortised</i>	-	215,770,773	215,770,773
<b>Accumulated amortisation:</b>			
Beginning balance	1,884,296,896	6,930,313,584	8,814,610,480
Addition	2,193,330,455	2,539,090,731	4,732,421,186
<i>In which:</i>			
<i>Amortisation for the year</i>	527,584,289	2,539,090,731	3,066,675,020
<i>Addition from subsidiary's acquisition</i>	1,665,746,166	-	1,665,746,166
Ending balance	4,077,627,351	9,469,404,315	13,547,031,666
<b>Net carrying amount:</b>			
Beginning balance	9,707,741,553	4,160,345,771	13,868,087,324
Ending balance	32,681,087,674	2,236,015,040	34,917,102,714

## 12. CONSTRUCTION IN PROGRESS

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Buildings & structures	34,067,826,173	6,724,942,505
Enterprise Resource Planning Project	427,889,208	427,889,208
<b>TOTAL</b>	<b>34,495,715,381</b>	<b>7,152,831,713</b>

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

### 13. INVESTMENT PROPERTIES

	<i>Buildings &amp; structures</i>	<i>Machinery &amp; equipment</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
<b>Cost:</b>					
Beginning and ending balances	<u>774,201,284,293</u>	<u>237,873,019,188</u>	<u>90,250,454</u>	<u>546,453,001</u>	<u>1,012,711,006,936</u>
<i>In which:</i>					
<i>Fully depreciated</i>	<i>15,083,156,719</i>	<i>22,801,892,676</i>	<i>90,250,454</i>	<i>546,453,001</i>	<i>38,521,752,850</i>
<b>Accumulated depreciation:</b>					
Beginning balance	211,608,275,600	112,418,944,815	90,250,454	546,453,001	324,663,923,870
Depreciation for the year	<u>31,518,042,302</u>	<u>21,507,112,652</u>	<u>-</u>	<u>-</u>	<u>53,025,154,954</u>
Ending balance	<u>243,126,317,902</u>	<u>133,926,057,467</u>	<u>90,250,454</u>	<u>546,453,001</u>	<u>377,689,078,824</u>
<b>Net carrying amount:</b>					
Beginning balance	<u>562,593,008,693</u>	<u>125,454,074,373</u>	<u>-</u>	<u>-</u>	<u>688,047,083,066</u>
Ending balance	<u>531,074,966,391</u>	<u>103,946,961,721</u>	<u>-</u>	<u>-</u>	<u>635,021,928,112</u>

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



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

## 14. INVESTMENTS

	VND	
	Ending balance	Beginning balance
<b>Short-term investments</b>		
Marketable equity securities (Note 14.1)	223,771,786,460	293,296,279,587
Bank-term deposits	112,593,354,050	156,206,000,000
Trust investments	-	57,859,213,825
Other short-term investments	250,000,000	-
Provision for diminution in value of equity securities	(86,775,438,855)	(90,667,712,342)
<b>Net value of short-term investments</b>	<b>249,839,701,655</b>	<b>416,693,781,070</b>
<b>Long-term investments</b>		
Investments in associates and a joint venture (Note 14.2)	3,262,728,074,001	2,848,097,188,076
Other long-term equity investments (Note 14.3)	928,408,727,545	854,925,101,755
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>4,117,399,245,546</b>	<b>3,628,846,104,921</b>
<b>TOTAL</b>	<b>4,367,238,947,201</b>	<b>4,045,539,885,991</b>

## 14.1 Investments in marketable equity securities

Securities	Ending balance		Beginning balance	
	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	2,234,377	18,510,277,345	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
Others	2,007,759	24,613,752,773	6,853,586	93,603,607,365
<b>TOTAL</b>	<b>12,792,536</b>	<b>223,771,786,460</b>	<b>17,246,066</b>	<b>293,296,279,587</b>

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

#### 14. INVESTMENTS (continued)

##### 14.2 Investments in associates and a joint venture

Name	Ending balance		Beginning balance		Business activities
	% of interest	Amount VND	% of interest	Amount VND	
<b>Associates</b>					
Pha Lai Therma Power Joint Stock Company	22.35	1,268,341,447,108	22.37	1,206,817,318,391	Power
Thac Mo Hydropower Joint-Stock Company	39.02	400,489,996,401	35.48	333,897,933,962	Power
Song Ba Ha Hydropower Joint-Stock Company	25.00	368,000,000,000	-	-	Power
Thu Duc Water B.O.O Corporation	42.10	342,511,604,982	42.10	349,597,976,134	Water supply
Vietnam Infrastructure and Real Estate Joint Stock Company	46.37	211,640,550,248	46.37	164,458,336,855	Real estate
Srok Phu Mieng Hydropower Joint-Stock Company	34.30	173,808,962,643	33.85	153,057,104,039	Power
Nui Beo Coal Joint Stock Company	23.81	94,493,223,883	23.62	85,974,944,278	Coal Mining
Ninh Binh Thermal Power Joint Stock Company	29.44	73,776,315,114	29.44	66,849,671,976	Power
Deo Nai Coal Joint Stock Company	24.01	67,154,434,165	24.01	74,276,928,023	Coal Mining
Saigon Real Estate Joint Stock Company	28.87	65,531,933,111	28.87	62,674,195,177	Real estate
Saigon Water Investment and Trading Joint Stock Company	40.00	60,571,743,037	30.00	46,012,592,781	Water supply
Thu Duc Water Supply Joint Stock Company	43.11	60,556,547,693	43.11	56,800,812,652	Water supply
Doan Nhat Mechanical Electrical Joint Stock Company	35.00	24,949,744,974	35.00	24,566,214,974	Mechanical and Engineering
Tan Hiep Water Investment Joint Stock Company	32.00	23,093,725,398	-	-	Water supply
Trung An Water Supply Joint Stock Company	29.00	22,623,120,000	-	-	Water supply
Quality Mechanical Electrical Joint Stock Company	35.62	3,021,424,762	35.62	2,885,966,064	Mechanical and Engineering
Hop Phat Mechanical Electrical Joint Stock Company	35.00	2,163,300,482	35.00	2,242,500,267	Mechanical and Engineering
Thac Ba Hydropower Joint-Stock Company (*)	-	-	23.97	217,736,579,551	Power
		<b>3,262,728,074,001</b>		<b>2,847,849,075,124</b>	
<b>A joint venture</b>					
Building at 41B Ly Thai To, Hanoi city	-	-	40.00	248,112,952	Real estate
<b>TOTAL</b>		<b>3,262,728,074,001</b>		<b>2,848,097,188,076</b>	

(\*) The investment in this entity was presented under the Group's corporate structure (Note 1) following the Company's additional acquisitions to obtain control rights during the year.

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

## 14. INVESTMENT (continued)

## 14.2 Investments in associates and joint venture (continued)

Details of these investments in associates which were consolidated by applying equity method are presented as follows:

VND

	Thac Ba Hydropower Joint- Stock Company	Pha Lai Therna Power Joint Stock Company	Thac Mo Hydropower Joint-Stock Company	Song Ba Ha Hydropower Joint-Stock Company	Thu Duc Water B.O.O Corporation	Vietnam Infrastructure and Real Estate Joint Stock Company	Srok Phu Mieng Hydropower Joint- Stock Company	Nui Beo Coal Joint Stock Company	Ninh Binh Thermal Power Joint Stock Company	Deo Nai Coal Joint Stock Company	Others	Total
<b>Cost of investment:</b>												
Beginning balance	223,379,420,325	719,898,599,438	276,730,483,764	-	409,901,420,000	170,195,680,000	171,263,421,175	58,880,268,170	66,358,149,275	46,029,841,350	180,014,584,705	2,322,651,868,202
Additions	395,768,756,249	-	29,587,419,468	368,000,000,000	-	-	2,001,750,000	508,762,000	-	-	63,289,111,640	859,155,799,357
Reclassification	(619,148,176,574)	-	-	-	-	-	-	-	-	-	-	(619,148,176,574)
Disposal	-	(421,071,015)	-	-	-	-	-	-	-	-	-	(421,071,015)
Ending balance	-	719,477,528,423	306,317,903,232	368,000,000,000	409,901,420,000	170,195,680,000	173,265,171,175	59,389,030,170	66,358,149,275	46,029,841,350	243,303,696,345	2,562,238,419,970
<b>Accumulated share in post-acquisition profit (loss) of the associates:</b>												
Beginning balance	(5,642,840,774)	486,918,718,953	57,167,450,198	-	(60,303,443,866)	(5,737,343,145)	(18,206,317,136)	27,094,676,108	491,522,701	28,247,086,673	15,167,697,210	525,197,206,922
Dividend received during the year	(21,307,843,200)	(163,627,965,000)	(54,630,220,000)	-	(54,873,768,000)	-	-	(9,260,438,600)	(4,926,234,000)	(3,457,890,000)	(15,885,992,100)	(327,970,350,900)
Share in profit (loss) of associates for the year	18,157,202,445	225,573,164,732	91,634,862,971	-	47,787,396,848	47,182,213,393	18,750,108,604	17,269,956,205	11,852,877,138	(3,664,603,858)	19,926,138,002	494,469,316,480
Reclassification	8,793,481,529	-	-	-	-	-	-	-	-	-	-	8,793,481,529
Ending balance	-	548,863,918,685	94,172,093,169	-	(67,389,815,018)	41,444,870,248	543,791,468	35,104,193,713	7,418,165,839	21,124,592,815	19,207,843,112	700,489,654,031
<b>Carrying amount:</b>												
Beginning balance	217,736,579,551	1,206,817,318,391	333,897,933,962	-	349,597,976,134	164,458,336,855	153,067,104,039	85,974,944,278	66,849,671,976	74,276,928,023	195,182,281,915	2,847,849,075,124
Ending balance	-	1,268,341,447,108	400,489,996,401	368,000,000,000	342,511,604,982	211,640,550,248	173,808,962,643	94,493,223,883	73,776,315,114	67,154,434,165	262,511,539,457	3,262,728,074,001



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

14. INVESTMENTS (continued)

14.3 Other long-term equity investments

Name	Ending balance		Beginning balance	
	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
Dong Nai Water Joint-Stock Company	6,846,633	76,682,289,600	-	-
Others	11,676,888	197,203,543,745	17,423,423	200,402,207,555
<b>TOTAL</b>	<b>71,072,374</b>	<b>928,408,727,545</b>	<b>69,972,276</b>	<b>854,925,101,755</b>

15. SHORT-TERM LOANS

	VND	
	Ending balance	Beginning balance
Short-term bank loans (i)	170,579,689,943	251,571,946,603
Current portion of long-term loans (Note 21)	130,320,523,330	33,543,546,230
<b>TOTAL</b>	<b>300,900,213,273</b>	<b>285,115,492,833</b>

- (i) The short-term bank loans represent the unsecured loans for the purpose of financing the Group's working capital requirements and bear interest at the average rate ranging from 5.2% to 7.5% p.a for VND-loans and 2.8% p.a for USD-loans. Details are as follows:

Bankers	Ending balance (VND)	Maturity date
Joint Stock Commercial Bank For Foreign Trade Of Vietnam	73,817,622,322	From 10 March 2015 to 20 April 2015
Vietnam International Commercial Joint Stock Bank	52,287,749,584	From 28 April 2015 to 29 June 2015
Vietnam Joint Stock Commercial Bank for Industry and Trade	40,344,635,568	29 January 2015
ANZ Bank (Vietnam) Limited	4,129,682,469	17 February 2015
<b>TOTAL</b>	<b>170,579,689,943</b>	

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

**16. TRADE PAYABLES**

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Payables to third parties	187,746,157,875	167,304,724,927
Payables to a related party (Note 28)	8,215,846,126	1,403,263,475
<b>TOTAL</b>	<b><u>195,962,004,001</u></b>	<b><u>168,707,988,402</u></b>

**17. STATUTORY OBLIGATIONS**

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax (Note 25.1)	45,535,118,580	28,918,761,947
Value-added tax	8,984,236,895	1,442,227,021
Personal income tax	1,099,543,721	709,374,182
Other fees and obligations	3,279,310,566	78,537,967
<b>TOTAL</b>	<b><u>58,898,209,762</u></b>	<b><u>31,148,901,117</u></b>

**18. ACCRUED EXPENSES**

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Costs of supply and installation services	143,271,065,515	224,481,947,605
Promotions	5,953,239,479	7,284,522,690
Interest	2,232,525,084	1,259,270,909
Others	4,323,558,612	3,403,995,230
<b>TOTAL</b>	<b><u>155,780,388,690</u></b>	<b><u>236,429,736,434</u></b>

**19. OTHER PAYABLES**

		VND
	<i>Ending balance</i>	<i>Beginning balance</i>
Performance bonus	32,761,158,358	52,351,701,802
Dividend payables	26,595,561,981	12,562,318,176
Guarantee expenses	5,267,988,735	5,267,988,735
Bond interest expense	3,154,000,000	3,000,000,000
Payables to purchase securities	1,390,836,375	1,384,577,000
Social & health insurances and trade union fee	1,074,504,147	946,281,948
Deposits received from office tenants	593,349,000	676,616,850
Others	11,626,064,555	5,077,378,748
<b>TOTAL</b>	<b><u>82,463,463,151</u></b>	<b><u>81,266,863,259</u></b>

**20. OTHER LONG-TERM LIABILITIES**

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

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

## 21. LONG-TERM LOANS

	VND	
	Ending balance	Beginning balance
Convertible bonds (*)	63,682,000,000	138,900,000,000
Long-term bank loans (**)	476,542,591,292	132,411,815,300
<b>TOTAL</b>	<b>540,224,591,292</b>	<b>271,311,815,300</b>
<i>In which:</i>		
Current portion (Note 15)	130,320,523,330	33,543,546,230
Non-current portion	409,904,067,962	237,768,269,070

## (\*) Convertible bonds:

In accordance with the Board 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% p.a. 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.

The Company issued 3,419,000 new shares at the price of VND 22,000 per share to convert 75,218 out of 138,900 convertible bonds on 5 December 2014.

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

Facility No.	Ending balance	Maturity date	Interest rate	Description of collateral
	VND			
<b>HSBC Bank (Vietnam) Ltd</b>				
VNM 140308CM	433,674,322,222	26 August 2019	7.0% p.a.	Land use rights; building and amount receivable from office lease of REE Tower at 9 Doan Van Bo Street, District 4, Ho Chi Minh City ("REE Tower")
<b>Commonwealth Bank of Australia</b>				
HĐTD500112036/ FL-CBAVN	42,868,269,070	7 March 2017	6.0% pa	Assets at 180 Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City
<b>TOTAL</b>	<b>476,542,591,292</b>			
<i>In which</i>				
Current portion	66,638,523,330			



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

**21. LONG-TERM LOANS (continued)**

On 21 July 2014, the Company signed a loan agreement with HSBC Bank (Vietnam) Ltd ("HSBC") for a VND 550 billion credit facility to repay the loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam which was to finance the construction of the REE Tower and to support investment activities. The term of the loan is 60 months from the date of the first drawdown which was made on 25 August 2014. The loan will be repaid on a 6-month basis in accordance with the repayment schedule approved by HSBC to be issued after the grace period of 12 months expires from the first drawdown. The loan is secured by assets at 9 Doan Van Bo District 4, Ho Chi Minh City. The loan bears an interest rate equal to the basic loan rate for the same period announced by HSBC plus 0.5% p.a.

On 3 March 2012, the Company signed a loan agreement with Commonwealth Bank of Australia ("CBA") - Ho Chi Minh City Branch - for a VND 73 billion credit facility to finance the construction of the REE Tower. The term of the loan is 60 months from the date of the first drawdown 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. The loan bears an interest rate equal to the 3-month deposit rate announced by CBA plus 2.5% p.a.

NOTES TO THE CONSOLIDATED 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							
	Issued share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Retained earnings	Foreign exchange difference reserves	Total
<b>Previous years:</b>								
Beginning balance	2,446,433,850,000	774,390,058,786	(788,258,632)	70,417,784,211	98,766,347,977	826,054,523,021	436,153,470	4,215,710,458,833
Conversion of convertible bonds	190,430,000,000	228,516,000,000	-	-	-	-	-	418,946,000,000
Dividend declared	-	-	-	-	-	(391,425,020,800)	-	(391,425,020,800)
Re-issuance of treasury shares	-	-	756,915,972	-	-	-	-	756,915,972
Transfers to funds	-	-	-	-	33,444,790,811	(33,444,790,811)	-	-
Net profit for the year	-	-	-	-	-	975,819,282,949	-	975,819,282,949
Foreign currency differences	-	-	-	-	-	-	90,521,867	90,521,867
Appropriation to bonus & welfare funds	-	-	-	-	-	(23,275,029,309)	-	(23,275,029,309)
Ending balance	2,636,863,850,000	1,002,906,058,786	(31,342,660)	70,417,784,211	132,211,138,788	1,353,728,965,050	526,675,337	5,196,623,129,512
<b>Current year:</b>								
Beginning balance	2,636,863,850,000	1,002,906,058,786	(31,342,660)	70,417,784,211	132,211,138,788	1,353,728,965,050	526,675,337	5,196,623,129,512
Conversion of convertible bonds	34,190,000,000	41,028,000,000	-	-	-	-	-	75,218,000,000
Issue ESOP shares	19,651,540,000	-	-	-	-	-	-	19,651,540,000
Dividend declared	-	-	-	-	-	(421,893,820,800)	-	(421,893,820,800)
Transfers to funds	-	-	-	-	33,012,226,752	(33,012,226,752)	-	-
Net profit for the year	-	-	-	-	-	1,061,971,178,941	-	1,061,971,178,941
Foreign currency differences	-	-	-	-	-	-	80,726,044	80,726,044
Appropriation to bonus & welfare funds	-	-	-	-	-	(21,497,107,999)	-	(21,497,107,999)
Ending balance	2,690,705,390,000	1,043,934,058,786	(31,342,660)	70,417,784,211	165,223,365,540	1,939,296,988,440	607,401,381	5,910,153,645,698

Based on confirmation of available room for foreign ownership in REE shares as at 18 November 2014 from Vietnam Securities Depository No. 6006/CNVSD-DK dated 24 November 2014 and convertible bond subscription agreement, the Company issued 3,419,000 new shares at the price of VND 22,000 per share to convert 75,218 out of 138,900 convertible bonds on 1 December 2014. Accordingly, the Company's share capital increased from VND 2,656,515,390,000 to VND 2,690,705,390,000, which was subsequently approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the 23<sup>rd</sup> amended Business Registration Certificate dated 18 December 2014.

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

22. OWNERS' EQUITY (continued)

22.2 Capital transactions with shareholders and distribution of dividends

		VND
	Current year	Previous year
<b>Contributed capital</b>		
Beginning balance	2,636,863,850,000	2,446,433,850,000
Issue ESOP shares	19,651,540,000	-
Conversion of convertible bonds	34,190,000,000	190,430,000,000
Ending balance	<u>2,690,705,390,000</u>	<u>2,636,863,850,000</u>
<b>Dividends</b>		
Dividends declared	421,893,820,800	391,425,020,800
Dividends paid	416,804,575,920	386,733,996,880

22.3 Shares

	Number of shares	
	Ending balance	Beginning balance
<b>Issued shares</b>		
Issued and paid-up shares	269,070,539	263,686,385
<i>Ordinary shares</i>	269,070,539	263,686,385
<b>Treasury shares</b>		
<i>Ordinary shares</i>	(2,747)	(2,747)
<b>Shares in circulation</b>		
<i>Ordinary shares</i>	269,067,792	263,683,638

The Company's shares are issued with par value of 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.

23. REVENUES

23.1 Revenues from sale of goods and rendering of services

		VND
	Current year	Previous year
<b>Gross revenues</b>	<b>2,630,675,383,788</b>	<b>2,414,569,501,626</b>
<i>Of which:</i>		
Supply & installation services	1,427,103,361,627	1,417,627,060,146
Sale of goods	584,381,592,125	527,413,784,068
Revenue from services <i>(office leasing and related services)</i>	483,398,910,521	469,528,657,412
Infrastructure <i>(including in investing activity)</i>	135,791,519,515	-
<b>Less:</b>	<b>(1,288,909,410)</b>	<b>(1,162,516,333)</b>
Sales returns	(1,288,909,410)	(1,102,431,427)
Special sales tax	-	(60,084,906)
<b>NET REVENUES</b>	<b><u>2,629,386,474,378</u></b>	<b><u>2,413,406,985,293</u></b>



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

**23. REVENUES (continued)**

**23.2 Finance income**

		VND
	Current year	Previous year
Dividends income	378,266,105,505	234,380,485,993
Interest income	43,919,261,393	81,710,147,761
Gains from securities trading	21,493,456,109	2,556,973,804
Foreign exchange gains	15,842,826,284	33,972,408,779
Others	-	40,875,193
<b>TOTAL</b>	<b><u>459,521,649,291</u></b>	<b><u>352,660,891,530</u></b>

**24. FINANCE EXPENSES**

		VND
	Current year	Previous year
Interest expense	37,413,873,577	57,146,113,236
Foreign exchange losses	7,027,722,396	22,271,861,302
Loss on securities trading	1,518,439,494	1,392,763,266
(Reversal) provision for the diminution in value of investments	(4,330,902,397)	1,619,462,243
Others	521,477,709	3,795,710,045
<b>TOTAL</b>	<b><u>42,150,610,779</u></b>	<b><u>86,225,910,092</u></b>

**25. CORPORATE INCOME TAX**

The Group, except for Thac Ba Hydropower Joint-Stock Company, Trans Orient Pte. Ltd., and Eastrade International Ltd. has the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits earned from all operations.

Thac Ba Hydropower Joint-Stock Company has the obligation to pay CIT at the rate of 20% of taxable profit earned from electrical operations.

Trans Orient Pte. Ltd., established in Singapore, has the obligation to pay CIT at the rate of 17% of taxable income. Trans Orient Pte. Ltd is entitled to 75% reduction on CIT for taxable income up to SGD 10,000 and 50% reduction on CIT for taxable income up to SGD 290,000.

Eastrade International Ltd. was established in British Virgin Islands and is exempt from CIT in accordance with the BVI Business Companies Act.

The tax returns of the Group 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 consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

**25.1 CIT expense**

The current tax payable is based on taxable profit for the year. The taxable profit of the Group for the year differs from the profit as reported in the consolidated 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 Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014**25. CORPORATE INCOME TAX (continued)****25.1 CIT expense (continued)**

VND

	<i>Current year</i>	<i>Previous year</i>
Current CIT expenses	170,939,086,266	122,072,887,315
Deferred CIT benefit	(7,165,185,877)	(10,270,124,969)
<b>TOTAL</b>	<b>163,773,900,389</b>	<b>111,802,762,346</b>

A summary of CIT computation is presented below:

VND

	<i>Current year</i>	<i>Previous year</i>
<b>Profit before tax</b>	<b>1,262,427,405,945</b>	<b>1,087,556,959,984</b>
<b>Adjustments to increase (decrease) accounting profit</b>		
<i>Permanent differences</i>	<i>(512,905,451,386)</i>	<i>(653,174,935,814)</i>
Shared profit from associates	(166,498,965,580)	(428,675,939,326)
Dividends income not subject to CIT	(378,266,105,505)	(234,380,485,993)
Goodwill amortisation	14,969,900,701	-
Other non-deductible expenses	13,516,427,127	8,362,399,477
Taxable dividend income from Trans Orient Pte. Ltd.	3,373,291,871	1,519,090,028
<i>Temporary differences</i>	<i>31,434,776,000</i>	<i>55,771,063,767</i>
Interest accrual of convertible bonds	258,502,167	(837,892,000)
Provision for doubtful debts	1,537,115,809	6,502,139,197
Unrealised profit	2,884,011,411	7,198,848,730
Provision for obsolete inventories	3,274,562,946	28,322,663,756
Unbilled contract profit (loss)	39,943,095,390	(1,653,561,292)
Accrued of operating expenses	(12,359,421,598)	13,325,405,956
Others	(4,103,090,125)	2,913,459,420
<b>Adjusted net profit</b>	<b>780,956,730,559</b>	<b>490,153,087,937</b>
Add back tax losses of subsidiaries	23,023,079	181,838,633
<b>Estimated current taxable profit</b>	<b>780,979,753,638</b>	<b>490,334,926,570</b>
<b>Estimated current CIT</b>	<b>169,746,007,033</b>	<b>121,847,312,649</b>
Dividend income from Trans Orient Pte. Ltd. had been taxed by Singapore Government	(205,704,515)	(126,432,279)
Under-accruals of CIT from previous years	1,398,783,748	352,006,945
<b>Estimated current CIT expense</b>	<b>170,939,086,266</b>	<b>122,072,887,315</b>
CIT payable at beginning of the year	28,852,499,620	12,369,957,195
CIT paid during the year	(154,693,391,896)	(105,590,344,890)
<b>CIT payable at end of year</b>	<b>45,098,193,990</b>	<b>28,852,499,620</b>
<i>In which:</i>		
CIT receivable at end of year	436,924,590	66,262,327
CIT payable at end of year (Note 17)	45,535,118,580	28,918,761,947

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

25. CORPORATE INCOME TAX (continued)

25.2 Deferred CIT

The following are the deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and previous year.

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Provision for obsolete inventories	10,086,720,663	9,361,039,664	725,680,999	5,804,160,531
Provision for doubtful debts	9,196,471,663	8,863,583,336	332,888,327	416,864,343
Accrued operating expenses	6,003,416,661	8,601,884,921	(2,598,468,260)	696,555,860
Unbilled contract profit (loss)	5,025,023,268	(3,762,457,718)	8,787,480,986	1,373,357,875
Unrealised profit	3,706,243,230	3,071,760,719	634,482,511	1,380,835,720
Provision for diminution in value of investments	1,538,913,312	1,448,575,561	90,337,751	612,640,311
Interest accrual of convertible bonds	66,787,588	61,116,000	5,671,588	(217,807,000)
Unrealised foreign exchange differences	(79,931,157)	481,177,494	(561,108,651)	(166,934,849)
Others	230,731,710	482,511,084	(251,779,374)	370,452,178
<b>Net deferred income tax assets</b>	<b>35,774,376,938</b>	<b>28,609,191,061</b>		
<b>Net deferred income tax benefit to the consolidated income statement</b>			<b>7,165,185,877</b>	<b>10,270,124,969</b>



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

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

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

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

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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 three 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 convertible bonds, loans, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 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 consolidated balance sheet relates to available-for-sale debt instrument; the sensitivity of the relevant consolidated 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 31 December 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 Group's exposure to market risk for changes in interest rate relates primarily to the Group's cash and short-term deposits and long-term debt obligations with floating interest rates.

The Group 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. The Group considers that the exposure to interest rate risks is insignificant.

***Interest rate sensitivity***

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of cash, short-term deposits and long-term debt obligations with floating interest rates.

With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

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

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

*Market risk* (continued)

*Interest rate sensitivity* (continued)

		VND
	<i>Increase/decrease in interest rate (%)</i>	<i>Effect on profit before tax</i>
<b>For the year ended 31 December 2014</b>		
VND	+2%	10,373,630,540
USD	+1%	390,341,716
		<b><u>10,763,972,256</u></b>
VND	-2%	(10,373,630,540)
USD	-1%	(390,341,716)
		<b><u>(10,763,972,256)</u></b>
<b>For the year ended 31 December 2013</b>		
VND	+2%	21,361,869,114
USD	+1%	1,026,515,628
		<b><u>22,388,384,742</u></b>
VND	-2%	(21,361,869,114)
USD	-1%	(1,026,515,628)
		<b><u>(22,388,384,742)</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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (certain expenses, incomes, loans of the Group are denominated in currencies other than the VND). The Group considers that the exposure to foreign currency risk is insignificant.

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

*Equity price risk*

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

As at 31 December 2014, the exposure to listed and unlisted equity securities at fair value was VND 1,135,815,727,792 (31 December 2013: VND 1,096,166,686,714). A decrease of 10% on the price of the securities could have an impact of approximately VND 113,581,572,779 (31 December 2013: VND 109,616,668,671) on the Group'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 and unlisted securities would increase Group's profit before tax by VND 113,581,572,779 (31 December 2013: VND 109,616,668,671).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2014**26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)*****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 Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including bank deposits.

***Trade receivables***

Customer credit risk is managed by the Group 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 analyzed at each reporting date on an individual basis for major clients. The Group 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 Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

***Bank deposits***

The Group's bank balances are mainly maintained with well-known banks in Vietnam. The Group's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Notes 5 and 14. The Group evaluates the concentration of credit risk in respect to bank deposit is 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 56,491,997,038 as at 31 December 2014 (31 December 2013: VND 79,405,438,326).

***Liquidity risk***

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

The Group monitors its liquidity risk by maintaining a level of cash and cash equivalents and bank loans deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)\*

*Liquidity risk* (continued)

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

	Less than 1 year	From 1 to 5 years	More than 5 years	VND Total
<b>Ending balance</b>				
Loans	237,218,213,273	409,904,067,962	-	647,122,281,235
Convertible bonds	63,682,000,000	-	-	63,682,000,000
Trade payables	195,962,004,001	-	-	195,962,004,001
Accrued expenses and other payables	204,408,189,336	103,938,560,278	-	308,346,749,614
<b>TOTAL</b>	<b>701,270,406,610</b>	<b>513,842,628,240</b>	<b>-</b>	<b>1,215,113,034,850</b>
<b>Beginning balance</b>				
Loans	251,571,946,603	60,411,815,300	72,000,000,000	383,983,761,903
Convertible bonds	-	138,900,000,000	-	138,900,000,000
Trade payables	168,707,988,402	-	-	168,707,988,402
Accrued expenses and other payables	264,398,615,943	-	-	264,398,615,943
<b>TOTAL</b>	<b>684,678,550,948</b>	<b>199,311,815,300</b>	<b>72,000,000,000</b>	<b>955,990,366,248</b>

The Group 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.

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

27. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Carrying amount				Fair value	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Cost	Provision	Cost	Provision		
					VND	
<b>Financial assets</b>						
Listed shares	114,884,748,053	(3,148,649,347)	290,393,271,144	(7,890,177,885)	143,040,953,300	337,421,621,200
Unlisted shares	1,150,139,120,000	(157,364,345,508)	915,694,075,176	(156,953,719,367)	992,774,774,492	758,740,355,809
Short-term deposits	112,593,354,050	-	156,206,000,000	-	112,593,354,050	156,206,000,000
Trade receivables	662,576,397,969	(56,491,997,038)	685,334,062,970	(79,405,438,326)	606,084,400,931	605,928,624,644
Other receivables	82,602,892,836	-	17,821,338,112	-	82,602,892,836	17,821,338,112
Cash and cash equivalents	1,036,655,683,725	-	535,795,614,565	-	1,036,655,683,725	535,795,614,565
<b>TOTAL</b>	<b>3,159,452,196,633</b>	<b>(217,004,991,893)</b>	<b>2,601,244,361,967</b>	<b>(244,249,335,578)</b>	<b>2,973,752,059,334</b>	<b>2,411,913,554,330</b>
						VND
	Carrying amount		Fair value			
	Ending balance	Beginning balance	Ending balance	Beginning balance		
<b>Financial liabilities</b>						
Loans	647,122,281,235	383,983,761,903	647,122,281,235	383,983,761,903		
Convertible bonds	63,682,000,000	138,900,000,000	63,682,000,000	138,900,000,000		
Trade payables	195,962,004,001	168,707,988,402	195,962,004,001	168,707,988,402		
Accrued expenses and other payables	308,346,749,614	264,398,615,943	308,346,749,614	264,398,615,943		
<b>TOTAL</b>	<b>1,215,113,034,850</b>	<b>955,990,366,248</b>	<b>1,215,113,034,850</b>	<b>955,990,366,248</b>		

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

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

The fair value of listed shares 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 paragraphs the fair value 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 not materially different from 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 Group 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 group.

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Amounts</i>
Thac Mo Hydropower Joint Stock Company	Associate	Capital contribution Dividend income	(29,587,419,468) 54,630,220,000
Nui Beo Coal Joint Stock Company	Associate	Capital contribution Dividend income	(508,762,000) 9,260,438,600
Tan Hiep Water Investment Joint Stock Company	Associate	Capital contribution	(24,000,000,000)
Srok Phu Mieng Hydropower Joint-Stock Company	Associate	Capital contribution	(2,001,750,000)
Thu Duc Water Supply Joint Stock Company	Associate	Capital contribution Dividend income	(105,991,640) 4,397,664,000
Pha Lai Therma Power Joint Stock Company	Associate	Dividend income Disposal of investment	163,627,965,000 421,071,015
Thu Duc Water B.O.O Corporation	Associate	Dividend income	54,873,768,000
Ninh Binh Thermal Power Joint Stock Company	Associate	Dividend income	4,926,234,000
Deo Nai Coal Joint Stock Company	Associate	Dividend income	3,457,890,000



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

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

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Amounts</i>
Saigon Real Estate Joint Stock Company	Associate	Dividend income	1,905,094,000
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Sub-contractor service Dividend income	(13,816,733,248) 9,136,050,000
Quality Mechanical Electrical Joint Stock Company	Associate	Sub-contractor service Dividend income	(35,682,627,832) 254,684,100
Hop Phat Mechanical Electrical Joint Stock Company	Associate	Sub-contractor service Dividend income	(3,927,441,238) 192,500,000

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

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND Amount</i>
<b>Advances to suppliers</b>			
Doan Nhat Mechanical Electrical Joint Stock Company	Associate	Advance for sub- contractor service	5,240,687,197
Hop Phat Mechanical Electrical Joint Stock Company	Associate	Advance for sub- contractor service	270,381,018
			<b>5,511,068,215</b>
<b>Other receivable</b>			
Pha Lai Therma Power Joint Stock Company	Associate	Dividend income	56,892,360,000
<b>Trade payable</b>			
Quality Mechanical Electrical Joint Stock Company	Associate	Sub-contractor service	(8,215,846,126)

**Transactions with other related parties**

Remuneration paid to members of Board of Management and Board of Directors during the year is as follows:

	<i>Current year</i>	<i>VND Previous year</i>
<i>Remuneration to members of Board of Directors</i>		
Salaries and bonus	3,249,600,000	3,598,918,750
<i>Remuneration to Management</i>		
Salary and bonus	5,785,738,764	11,038,203,368
<b>TOTAL</b>	<b>9,035,338,764</b>	<b>14,637,122,118</b>

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

**29. COMMITMENTS**

**29.1 Operating lease commitments – where the Group is a lessee**

The Group leases land for its plant in Tan Binh Industrial Zone and offices under operating lease agreements. The minimum lease commitment as at balance sheet date under the operating lease agreements is as follows:

	VND	
	Ending balance	Beginning balance
Less than one year	14,358,642,953	9,551,527,773
From one to five years	14,404,254,215	21,945,130,130
<b>TOTAL</b>	<b>28,762,897,168</b>	<b>31,496,657,903</b>

**29.2 Operating lease commitments – where the Group is a lessor**

The Group leases out its assets under operating lease arrangements. The future minimum rental receivables as at the balance sheet date under the operating lease agreements is as follows:

	VND	
	Ending balance	Beginning balance
Less than one year	265,034,579,803	230,355,166,498
From one to five years	198,349,283,003	216,620,954,258
<b>TOTAL</b>	<b>463,383,862,806</b>	<b>446,976,120,756</b>

**29.3 Investment commitments**

	VND	
	Ending balance	Beginning balance
Song Thanh Real Estate Joint Stock Company	72,200,000,000	73,900,000,000
Song Mai Real Estate Joint Stock Company	-	74,000,000,000
<b>TOTAL</b>	<b>72,200,000,000</b>	<b>147,900,000,000</b>

**30. SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- ▶ Supply & installation services;
- ▶ Sale of goods;
- ▶ Property leasing; and
- ▶ Investment

Management monitors the operating results of its business units separately for the purposes of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing, including finance costs and finance revenue, and income taxes are managed on a Group basis and are not allocated to operating segments.

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

## 30. SEGMENT INFORMATION (continued)

The segment results for the year ended 31 December 2014 are as follows:

	VND				
	<i>Supply &amp; installation services</i>	<i>Sale of goods</i>	<i>Property leasing</i>	<i>Investment</i>	<i>Consolidated</i>
<i>Sales</i>					
Total segment sales	1,936,733,872,133	892,456,973,160	550,209,376,519	135,791,519,515	3,515,191,741,327
Inter-segment sales	(509,630,510,506)	(309,364,290,445)	(66,810,465,998)	-	(885,805,266,949)
<b>TOTAL</b>	<b><u>1,427,103,361,627</u></b>	<b><u>583,092,682,715</u></b>	<b><u>483,398,910,521</u></b>	<b><u>135,791,519,515</u></b>	<b><u>2,629,386,474,378</u></b>
<i>Results</i>					
Segment results	218,620,807,695	49,310,360,901	295,388,071,606	464,575,319,861	1,027,894,560,063
Finance income					59,783,852,476
Finance expenses					(44,441,601,479)
Other income					60,555,687,327
Other expenses					(7,864,058,022)
Profit from associates and joint venture					166,498,965,580
CIT and DIT					(163,773,900,389)
Minority interests					(36,682,326,615)
<b>Net profit after tax</b>					<b><u>1,061,971,178,941</u></b>
The segment assets and liabilities for as at 31 December 2014 are as follows:					
Segment assets	1,270,621,808,835	433,035,926,801	947,047,282,182	5,297,924,229,180	7,948,629,246,998
Unallocated assets					454,557,135,268
<b>TOTAL ASSETS</b>					<b><u>8,403,186,382,266</u></b>
Segment liabilities	1,075,358,736,709	219,405,354,276	187,339,953,632	544,264,122,304	2,026,368,166,921
Unallocated liabilities					38,567,610,098
<b>TOTAL LIABILITIES</b>					<b><u>2,064,935,777,019</u></b>



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

## 30. SEGMENT INFORMATION (continued)

The segment results for the year ended 31 December 2013 are as follows:

	VND				
	Supply & installation services	Sale of goods	Property leasing	Investment	Consolidated
<i>Sales</i>					
Total segment sales	1,989,536,525,371	623,049,091,280	539,577,760,585	-	3,152,163,377,236
Inter-segment sales	(571,909,465,225)	(96,797,823,545)	(70,049,103,173)	-	(738,756,391,943)
<b>TOTAL</b>	<b>1,417,627,060,146</b>	<b>526,251,267,735</b>	<b>469,528,657,412</b>	<b>-</b>	<b>2,413,406,985,293</b>
<i>Results</i>					
Segment results	131,272,306,893	44,621,522,148	281,795,632,481	162,300,762,091	619,990,223,613
Finance income					116,988,103,333
Finance expenses					(83,218,211,107)
Other income					7,675,485,635
Other expenses					(2,554,580,816)
Profit from associates and joint venture					428,675,939,326
CIT and DIT					(111,802,762,346)
Minority interests					65,085,311
<b>Net profit after tax</b>					<b>975,819,282,949</b>
The segment assets and liabilities as at 31 December 2013 are as follows:					
Segment assets	1,196,020,123,052	501,150,604,689	911,274,382,217	3,849,278,866,622	6,457,723,976,580
Unallocated assets					496,725,738,765
<b>TOTAL ASSETS</b>					<b>6,954,449,715,345</b>
Segment liabilities	1,040,446,577,825	255,389,909,014	177,579,341,960	200,558,479,653	1,673,974,308,452
Unallocated liabilities					79,276,495,364
<b>TOTAL LIABILITIES</b>					<b>1,753,250,803,816</b>

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

### 31. EARNINGS PER SHARE

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

	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to ordinary equity holders (VND)	1,061,971,178,941	975,819,282,949
Weighted average number of ordinary shares	265,202,968	245,206,709
<b>Basic earnings per share (VND)</b>	<b>4,004</b>	<b>3,980</b>

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. A diluted earnings per share is calculated as follows:

	<i>Current year</i>	<i>Previous year</i>
Net profit attributable to ordinary equity holders of the parent for basic earnings (VND)	1,061,971,178,941	975,819,282,949
Impact after tax of interest on convertible bonds (VND)	2,980,317,600	6,250,500,000
<b>Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution (VND)</b>	<b>1,064,951,496,541</b>	<b>982,069,782,949</b>
Weighted average number of ordinary shares for basic earnings per share	265,202,968	245,206,709
Number of ordinary shares from convertible bonds	2,894,636	6,313,636
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>268,097,604</b>	<b>251,520,345</b>
<b>Diluted earnings per share (VND)</b>	<b>3,972</b>	<b>3,905</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 32. CONTINGENT ASSET

On 28 September 2011, the Company entered into a Restructuring Deed to transfer all of its ownership in Vung Ang II Thermal 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 proceeds 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 consolidated financial statements in accordance with Vietnamese Accounting Standard No. 18 - "Provision, Contingent assets and liabilities".

### 33. EVENTS AFTER THE BALANCE SHEET DATE

In accordance with the Resolution of the Board of Directors No. 04/2015/NQ-HDQT dated 2 February 2015, the Board of Directors approved the interim cash dividend of 16% per ordinary share.

There has not been any other matter or circumstance that has arisen since the balance date that has affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group.



Pham Thi Uyen Phuong  
Preparer



Ho Tran Dieu Lynh  
Chief Accountant



Nguyen Thi Mai Thanh  
General Director

5 March 2015