

**Binh Chanh Construction Investment
Joint Stock Company**

Consolidated financial statements

31 December 2014



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Binh Chanh Construction Investment Joint Stock Company

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Binh Chanh Construction Investment Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Binh Chanh Construction Investment Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 056668 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 December 1999, as amended.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with trading code BCI in accordance with Decision No. 128/QĐ-SGDHCM issued by the General Director of HOSE on 25 December 2008.

The current principal activities of the Company are to develop and trade real estate properties including house, land use rights and infrastructure, to provide construction consulting, site clearance and brokerage on land properties.

The Company's registered head office is located at No. 550 Kinh Duong Vuong Street, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr Nguyen Van Le	Chairman	
Mr Tran Ngoc Henri	Vice chairman	
Mr Tram Be	Member	
Ms Nguyen Thi Kim Thoa	Member	
Mr Pham Minh Duc	Member	
Ms Pham Thi Cam Nhung	Member	appointed on 24 April 2014
Ms Trinh Quynh Giao	Member	appointed on 24 April 2014
Mr Hoang Dinh Thang	Member	resigned on 24 April 2014
Mr Nguyen Hoang Thuc	Member	resigned on 24 April 2014

BOARD OF SUPERVISION

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

Mr Tran Ngoc Tien	Head	
Ms Tran Nguyen Ngoc Thien Huong	Member	
Ms Nguyen Thi Quynh Anh	Member	appointed on 24 April 2014
Mr Do Van Cuong	Member	resigned on 24 April 2014

MANAGEMENT

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

Mr Nguyen Thuy Nhan	General Director
Ms Truong My Linh	Deputy General Director
Ms Nguyen Thi Kim Thoa	Deputy General Director

LEGAL REPRESENTATIVE

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

AUDITORS

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

Binh Chanh Construction Investment Joint Stock Company

REPORT OF MANAGEMENT

Management of Binh Chanh Construction Investment Joint Stock Company ("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 each financial year 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 in business.

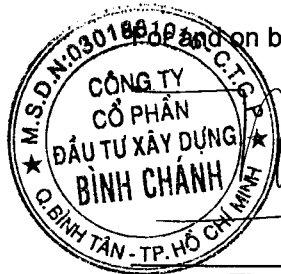
Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding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

and on behalf of Management:



Thuy Nhan

Nguyen Thuy Nhan
General Director

11 March 2015



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

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

Reference: 60933602/16997008

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Binh Chanh Construction Investment Joint Stock Company

We have audited the accompanying consolidated financial statements of Binh Chanh Construction Investment Joint Stock Company and its subsidiaries (collectively referred to as "the Group") as prepared on 11 March 2015 and set out on pages 5 to 42, which comprise the consolidated balance sheet as at 31 December 2014, 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



Đào Thị Tuyết Mai
Deputy General Director
Audit Practicing Registration Certificate
No. 1575-2013-004-1

Doan Thi Thu Thuy
Auditor
Audit Practicing Registration Certificate
No. 1070-2013-004-1

Ho Chi Minh City, Vietnam

11 March 2015

CONSOLIDATED BALANCE SHEET
as at 31 December 2014

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		2,463,589,480,470	2,638,892,728,318
110	I. Cash and cash equivalents	5	87,389,499,218	175,032,952,714
111	1. Cash		1,021,480,019	10,859,572,079
112	2. Cash equivalents		86,368,019,199	164,173,380,635
120	II. Short-term investments		-	58,600,000,000
121	1. Short-term investments		-	58,600,000,000
130	III. Current accounts receivable		248,009,574,272	250,940,661,216
131	1. Trade receivables	6	216,403,868,291	220,546,988,567
132	2. Advances to suppliers		8,453,642,485	8,657,744,439
135	3. Other receivables	7	32,505,230,466	34,384,330,100
139	4. Provision for doubtful debts	6, 7	(9,353,166,970)	(12,648,401,890)
140	IV. Inventories		2,119,941,989,026	2,147,175,124,500
141	1. Inventories	8	2,119,941,989,026	2,147,175,124,500
150	V. Other current assets		8,248,417,954	7,143,989,888
152	1. Value-added tax deductible		5,093,807,411	4,600,993,965
154	2. Tax and other receivables from the State	27.2	2,242,518,682	-
158	3. Other current assets		912,091,861	2,542,995,923
200	B. NON-CURRENT ASSETS		773,466,735,637	800,751,084,691
220	I. Fixed assets		466,974,124,806	523,531,086,723
221	1. Tangible fixed assets	9	27,324,733,093	31,429,671,504
222	Cost		76,079,411,750	75,816,761,698
223	Accumulated depreciation		(48,754,678,657)	(44,387,090,194)
227	2. Intangible assets	10	80,527,133	92,193,545
228	Cost		1,645,748,781	1,560,403,786
229	Accumulated amortisation		(1,565,221,648)	(1,468,210,241)
230	3. Construction in progress	11	439,568,864,580	492,009,221,674
240	II. Investment properties	12	94,400,871,519	97,313,281,763
241	1. Cost		150,001,804,114	149,900,363,205
242	2. Accumulated depreciation		(55,600,932,595)	(52,587,081,442)
250	III. Long-term investments		207,259,780,460	178,952,655,940
252	1. Investments in associates	13.1	205,139,650,460	176,919,735,940
258	2. Other long-term investments	13.2	3,135,455,455	4,025,535,894
259	3. Provision for diminution in value of long-term investments	13.2	(1,015,325,455)	(1,992,615,894)
260	IV. Other long-term assets		1,025,624,898	954,060,265
261	1. Long-term prepaid expenses		628,229,469	823,790,981
262	2. Deferred tax assets	27.3	364,469,667	97,343,522
268	3. Other long-term assets		32,925,762	32,925,762
269	V. Goodwill	14	3,806,333,954	-
270	TOTAL ASSETS		3,237,056,216,107	3,439,643,813,009

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2014

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		1,466,168,515,417	1,600,175,908,812
310	I. Current liabilities		524,592,378,397	746,332,718,645
311	1. Short-term loans and borrowings	16	107,009,112,858	332,215,172,037
312	2. Trade payables		70,325,320,787	75,155,180,839
313	3. Advances from customers		102,539,000	116,942,969
314	4. Statutory obligations	17	2,200,273,297	4,572,008,250
315	5. Payables to employees		11,074,846,694	7,472,612,397
316	6. Accrued expenses	18	110,511,374,510	134,913,551,489
319	7. Other payables	19	219,477,677,391	186,969,664,025
323	8. Bonus and welfare fund		3,891,233,860	4,917,586,639
330	II. Non-current liabilities		941,576,137,020	853,843,190,167
333	1. Other long-term liabilities		9,798,421,793	9,874,388,988
334	2. Long-term loans and debts	20	336,511,634,050	182,773,915,000
338	3. Unearned revenues	21	595,266,081,177	661,194,886,179
400	B. OWNERS' EQUITY		1,770,887,700,690	1,753,487,712,029
410	I. Capital	22.1	1,770,887,700,690	1,753,476,254,886
411	1. Share capital	22.2	722,670,000,000	722,670,000,000
412	2. Share premium		610,750,058,000	610,750,058,000
417	3. Investment and development fund		147,097,134,354	142,313,571,835
418	4. Financial reserve fund		84,252,267,674	79,468,705,155
419	5. Other funds belong to owners' equity		12,332,000,000	12,332,000,000
420	6. Undistributed earnings		193,786,240,662	185,941,919,896
430	II. Other fund		-	11,457,143
432	1. Subsidised fund		-	11,457,143
439	C. MINORITY INTERESTS		-	85,980,192,168
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,237,056,216,107	3,439,643,813,009

OFF BALANCE SHEET ITEM

ITEM	Ending balance	Beginning balance
Bad debts written-off (VND)	2,469,845,243	-

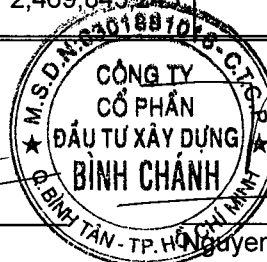


Nguyen Kim Phung
Preparer

Nguyen Duong An
Chief accountant

Nguyen Thuy Nhan
General Director



11 March 2015

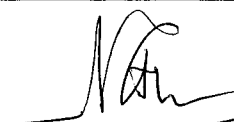
CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	23.1	240,808,749,046	349,899,428,806
02	2. Deductions	23.1	(46,156,110)	(153,878,240)
10	3. Net revenue from sale of goods and rendering of services	23.1	240,762,592,936	349,745,550,566
11	4. Cost of goods sold and services rendered	24	(125,665,241,530)	(224,081,815,900)
20	5. Gross profit from sale of goods and rendering of services		115,097,351,406	125,663,734,666
21	6. Finance income	23.2	6,569,195,904	18,900,565,977
22	7. Finance expenses	25	(8,475,287,588)	(33,638,579,889)
23	<i>In which: Interest expense</i>		(7,122,431,812)	(32,609,928,082)
24	8. Selling expenses		(4,873,903,437)	(11,914,842,236)
25	9. General and administrative expenses		(48,820,585,587)	(42,358,320,526)
30	10. Operating profit		59,496,770,698	56,652,557,992
31	11. Other income	26	2,107,123,124	1,710,487,705
32	12. Other expenses	26	(232,016,947)	(104,036,312)
40	13. Other profit		1,875,106,177	1,606,451,393
45	14. Share of profit in associates		35,822,914,520	38,262,611,956
50	15. Profit before tax		97,194,791,395	96,521,621,341
51	16. Current corporate income tax expense	27.2	(7,640,328)	(1,717,467,154)
52	17. Deferred tax income	27.3	267,126,145	24,756,545
60	18. Net profit after tax		97,454,277,212	94,828,910,732
	<i>Attributable to:</i>			
61	18.1 Minority interests		213,473,878	(842,339,649)
62	18.2 Equity holders of the Company		97,240,803,334	95,671,250,381
70	19. Earnings per share	22.4		
	- Basic			1,324
	- Diluted			1,324



Nguyen Kim Phung
Preparer



Nguyen Duong An
Chief Accountant




Nguyen Thuy Nhan
General Director

11 March 2015

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		97,194,791,395	96,521,621,341
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	9, 10, 12	7,530,776,023	8,515,770,896
03	Provisions		(4,272,525,359)	56,043,706
04	Unrealised foreign exchange losses		1,187,563,650	1,053,131,807
05	Gains from investing activities		(41,502,029,985)	(57,168,096,167)
06	Interest expense	25	7,122,431,812	32,609,928,082
08	Operating profit before changes in working capital		67,261,007,536	81,588,399,665
09	Decrease (increase) in receivables		62,323,857,974	(47,209,241,749)
10	Decrease in inventories		62,744,330,861	118,107,965,817
11	Decrease in payables		(128,305,486,513)	(116,003,244,956)
12	Decrease (increase) in prepaid expenses		195,561,512	(661,612,352)
13	Interest paid		(56,625,558,367)	(57,034,446,377)
14	Corporate income tax paid	27.2	(1,995,153,470)	(61,188,732,915)
16	Other cash outflows from operating activities		(8,588,710,309)	(6,944,489,949)
20	Net cash flows used in operating activities		(2,990,150,776)	(89,345,402,816)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(1,650,553,059)	(367,650,577)
22	Proceeds from disposals of fixed assets		-	23,500,000
23	Receipts (payments) for bank term deposits		58,600,000,000	(58,600,000,000)
25	Payments for investments in other entities		(20,000,000,000)	-
27	Interest and dividends received		15,559,885,218	27,752,949,569
30	Net cash flows from (used in) investing activities		52,509,332,159	(31,191,201,008)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		353,136,563,895	60,029,144,862
34	Repayment of borrowings		(425,792,467,674)	(32,562,288,732)
36	Dividends paid	22.2	(64,506,731,100)	(69,625,225,800)
40	Net cash flows used in financing activities		(137,162,634,879)	(42,158,369,670)

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

VND

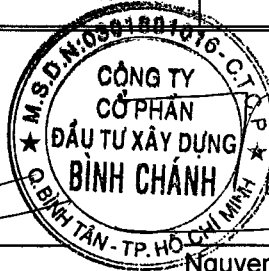
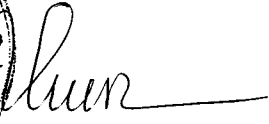
Code	ITEMS	Notes	Current year	Previous year
50	Net decrease in cash and cash equivalents		(87,643,453,496)	(162,694,973,494)
60	Cash and cash equivalents at beginning of year		175,032,952,714	337,727,926,208
70	Cash and cash equivalents at end of year	5	87,389,499,218	175,032,952,714



Nguyen Kim Phung
Preparer



Nguyen Duong An
Chief Accountant

Nguyen Thuy Nhan
General Director

11 March 2015

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

1. CORPORATE INFORMATION

Binh Chanh Construction Investment Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate No. 056668 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 24 December 1999, as amended.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with trading code BCI in accordance with Decision No. 128/QD-SGDHCM issued by the General Director of HOSE on 25 December 2008.

The current principal activities of the Group are to develop and trade real estate properties including house, land use rights and infrastructure, to provide construction consulting, site clearance and brokerage on land properties.

The Company's registered head office is located at No. 550 Kinh Duong Vuong Street, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 31 December 2014 was 189 (31 December 2013: 164).

Corporate structure

The Company's corporate structure includes 2 subsidiaries:

BCI Corporation ("BCI"), a joint stock company in which the Company holds 100% ownership interest, was established in accordance with Business Registration Certificate No. 4103009299 issued by the DPI of Ho Chi Minh City on 31 January 2008, as amended. BCI's registered office is located at No. 510 Kinh Duong Vuong Street, An Lac A Ward, Binh Tan District, Ho Chi Minh City, Vietnam. BCI's principal activities are to invest and trade real estate properties.

BCCI Development Investment Company Limited ("DVI"), a one member limited liability company, was established in accordance with Business Registration Certificate No. 0312212779 issued by the DPI of Ho Chi Minh City on 1 April 2013, as amended. DVI's registered office is located at No. 550 Kinh Duong Vuong Street, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam. DVI's principal activities are to trade real estate properties and farming.

2. BASIS OF PREPARATION

2.1 **Accounting standards and system**

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

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

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

2. BASIS OF PREPARATION (continued)

2.1 Accounting standards and system (continued)

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 Journal Ledger 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 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 the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting 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 within equity in the consolidated balance sheet, separately from parent shareholders' equity.

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Inventories*

Inventory properties, comprising mainly real estate properties, acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes:

- Land use rights;
- Construction and development cost; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the balance sheet date and discounted for the time value of money (if material), less costs to completion and the estimated costs of sale.

The cost of inventory recognized in the consolidated income statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

3.3 *Receivables*

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

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

3.4 *Fixed assets*

Fixed assets are stated at cost less accumulated depreciation and amortisation.

The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the 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 fixed assets are sold or retired, their costs and accumulated depreciation or amortisation are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

3.5 *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 and structures	10 – 20 years
Machinery and equipment	3 – 10 years
Motor vehicles	6 – 10 years
Office equipment	3 – 7 years
ISO certificate and computer software	3 – 10 years

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment properties

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

Subsequent expenditure relating to an investment property that has already been 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:

Factories	25 – 46 years
Infrastructure	25 – 46 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 in the year of retirement or disposal.

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

3.7 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 lessee

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

Where the Group is the lessor

Assets subject to operating leases are included as the Group's investment properties 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.

3.8 Borrowing costs

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

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial year of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Prepaid expenses*

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

3.10 *Investments in associates*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiary nor joint venture. The Group generally deems they have significant influence if they have from and above 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortised over a 10-year period. The consolidated income statement reflects the share of the post-acquisition results of operation of the associates.

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

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

3.11 *Investments in securities and other investments*

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

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

3.13 *Payables and accruals*

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

3.14 *Accrual for severance pay*

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

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

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 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, 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.

3.16 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 approval 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 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.

▶ Other fund belong to owners' equity

This fund is set aside for future use in case the Company will need to increase its share capital.

3.17 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax (before appropriation of funds) for the year attributable to ordinary shareholders of the Company 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 (before appropriation of funds after adjusting for interest on the convertible preference shares) 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.

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 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 completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied.

Rental income

Rental income arising from operating leases is recorded to the consolidated income statement and accounted for on a straight-line basis over the lease term.

Rendering of services

Revenues are recognised upon completion of the services provided.

Interest

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

Dividend

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

3.19 Taxation

Current income tax

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

Current income tax is charged or credited to the 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 offset current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 *Taxation* (continued)

Deferred tax (continued)

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

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 income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred 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 the equity account.

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

3.20 *Segment information*

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

3.21 *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, 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 off directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Financial instruments - subsequent re-measurement

There is currently no guidance in Circular 210 in relation to subsequent re-measurement of financial instruments. Accordingly, the financial instruments are subsequently re-measured at cost.

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

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

3.21 **Financial instruments** (continued)

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.

4. **BUSINESS COMBINATION**

During the year, the Company acquired additional 31% ownership interest in BCI to increase its ownership interest in this company from 69% to 100%. The acquisition was approved by the Board of Directors on 31 December 2014. This acquisition generated a goodwill for the Group amounting to VND 3,806,333,954 (Note 14).

5. **CASH AND CASH EQUIVALENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	55,583,554	54,102,091
Cash in banks	965,896,465	10,805,469,988
Cash equivalents	86,368,019,199	164,173,380,635
TOTAL	87,389,499,218	175,032,952,714

Cash equivalents mainly represent short-term bank deposits with original maturity of less than three months and earn interest at the rate of 4% - 5.3% per annum.

6. **TRADE RECEIVABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
A related party (Note 29)	4,792,000,000	-
Third parties	211,611,868,291	220,546,988,567
Provision for doubtful debts	(1,567,166,970)	(3,765,554,890)
NET	214,836,701,321	216,781,433,677

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

7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances for development of project	13,816,709,582	13,673,313,505
Provisional corporate income tax (*)	8,823,804,698	9,433,778,540
Late payment interest charges	8,794,268,760	8,794,268,760
Interest income	653,159,904	2,030,586,186
Others	417,287,522	452,383,109
TOTAL	32,505,230,466	34,384,330,100
Provision for doubtful debts	(7,786,000,000)	(8,882,847,000)
NET	24,719,230,466	25,501,483,100

(*) In accordance with Circular No. 78/2014/TT-BTC issued by the Ministry of Finance on 18 June 2014 which provides guidelines for implementation of the Law on Corporate Income Tax ("CIT"), the Group is entitled to provisionally pay tax at the rate of 1% on cash collections from its customers pending the appropriate recognition of sales and cost of sales from those transactions.

8. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Real estate properties in development progress (*)	2,106,846,787,516	2,131,444,268,652
Real estate properties available for sale	12,715,218,796	15,426,690,796
Raw materials	379,982,714	304,165,052
TOTAL	2,119,941,989,026	2,147,175,124,500

(*) This represents development and construction costs of the on-going residential area projects. Parts of these projects were pledged to obtain loans from banks (Note 20).

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

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total	VND
Cost:						
Beginning balance	24,220,961,187	37,852,472,674	11,467,019,178	2,276,308,659	75,816,761,698	
New purchase	-	106,614,000	-	-	106,614,000	
Transfer from construction in progress	208,361,052	-	-	-	208,361,052	
Reclassification	-	-	-	(52,325,000)	(52,325,000)	
Ending balance	24,429,322,239	37,959,086,674	11,467,019,178	2,223,983,659	76,079,411,750	
<i>In which:</i>						
Fully depreciated	15,575,635,799	4,351,765,953	3,085,866,422	2,223,983,659	25,237,251,833	
Accumulated depreciation:						
Beginning balance	(7,465,276,313)	(26,218,994,197)	(8,516,575,443)	(2,186,244,241)	(44,387,090,194)	
Depreciation for the year	(1,147,811,953)	(2,058,778,420)	(1,123,258,672)	(90,064,418)	(4,419,913,463)	
Reclassification	-	-	-	52,325,000	52,325,000	
Ending balance	(8,613,088,266)	(28,277,772,617)	(9,639,834,115)	(2,223,983,659)	(48,754,678,657)	
Net carrying amount:						
Beginning balance	16,755,684,874	11,633,478,477	2,950,443,735	90,064,418	31,429,671,504	
Ending balance	15,816,233,973	9,681,314,057	1,827,185,063	-	27,324,733,093	

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

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
Cost:					VND
Beginning balance	24,220,961,187	37,852,472,674	11,467,019,178	2,276,308,659	75,816,761,698
New purchase	-	106,614,000	-	-	106,614,000
Transfer from construction in progress	208,361,052	-	-	-	208,361,052
Reclassification	-	-	-	(52,325,000)	(52,325,000)
Ending balance	24,429,322,239	37,959,086,674	11,467,019,178	2,223,983,659	76,079,411,750
<i>In which:</i>					
Fully depreciated	15,575,635,799	4,351,765,953	3,085,866,422	2,223,983,659	25,237,251,833
Accumulated depreciation:					
Beginning balance	(7,465,276,313)	(26,218,994,197)	(8,516,575,443)	(2,186,244,241)	(44,387,090,194)
Depreciation for the year	(1,147,811,953)	(2,058,778,420)	(1,123,258,672)	(90,064,418)	(4,419,913,463)
Reclassification	-	-	-	52,325,000	52,325,000
Ending balance	(8,613,088,266)	(28,277,772,617)	(9,639,834,115)	(2,223,983,659)	(48,754,678,657)
Net carrying amount:					
Beginning balance	16,755,684,874	11,633,478,477	2,950,443,735	90,064,418	31,429,671,504
Ending balance	15,816,233,973	9,681,314,057	1,827,185,063	-	27,324,733,093

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

10. INTANGIBLE ASSETS

	VND		
	<i>ISO certificate</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
Beginning balance	331,744,151	1,228,659,635	1,560,403,786
Transfer from construction in progress	-	85,344,995	85,344,995
Ending balance	<u>331,744,151</u>	<u>1,314,004,630</u>	<u>1,645,748,781</u>
<i>In which:</i>			
Fully amortised	331,744,151	1,228,659,635	1,560,403,786
Accumulated amortisation:			
Beginning balance	(331,744,151)	(1,136,466,090)	(1,468,210,241)
Amortisation for the year	-	(97,011,407)	(97,011,407)
Ending balance	<u>(331,744,151)</u>	<u>(1,233,477,497)</u>	<u>(1,565,221,648)</u>
Net carrying amount:			
Beginning balance	-	92,193,545	92,193,545
Ending balance	<u>-</u>	<u>80,527,133</u>	<u>80,527,133</u>

11. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Le Minh Xuan Industrial Park	210,738,596,773	210,638,080,203
510 Kinh Duong Vuong project	200,580,735,081	252,917,103,994
175 An Lac project	27,967,140,000	27,967,140,000
Others	282,392,726	486,897,477
TOTAL	<u>439,568,864,580</u>	<u>492,009,221,674</u>

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

12. INVESTMENT PROPERTIES

	<i>Factories</i>	<i>Infrastructure</i>	<i>VND</i> <i>Total</i>
Cost:			
Beginning balance	7,146,210,413	142,754,152,792	149,900,363,205
Additions	-	101,440,909	101,440,909
Ending balance	<u>7,146,210,413</u>	<u>142,855,593,701</u>	<u>150,001,804,114</u>
Accumulated depreciation:			
Beginning balance	(5,631,975,208)	(46,955,106,234)	(52,587,081,442)
Depreciation for the year	(126,186,268)	(2,887,664,885)	(3,013,851,153)
Ending balance	<u>(5,758,161,476)</u>	<u>(49,842,771,119)</u>	<u>(55,600,932,595)</u>
Net carrying amount:			
Beginning balance	<u>1,514,235,205</u>	<u>95,799,046,558</u>	<u>97,313,281,763</u>
Ending balance	<u>1,388,048,937</u>	<u>93,012,822,582</u>	<u>94,400,871,519</u>

The fair value of the investment property as at 31 December 2014 had not yet been formally assessed and determined, but the management believed that it was much higher than the property's carrying value considering that the investment property (an industrial park) has been almost fully rented out as at balance sheet date.

13. LONG-TERM INVESTMENTS**13.1 Investments in associates**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<i>VND</i>	<i>% of interest</i>	<i>VND</i>	<i>% of interest</i>
Saigon Asia Investment and Realty Corporation	4,862,761,310	50	4,862,761,310	50
Espace Big C An Lac ("Big C")	180,217,290,593	20	152,035,616,663	20
Green Buildings Company Limited ("GB")	<u>20,059,598,557</u>	20	<u>20,021,357,967</u>	20
TOTAL	<u>205,139,650,460</u>		<u>176,919,735,940</u>	

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

13. LONG-TERM INVESTMENTS (continued)

13.1 *Investments in associates* (continued)

Details of these investments in associates as at 31 December 2014 are presented as follows:

	VND			
	<i>Saigon Asia Real Estate</i>	<i>Big C</i>	<i>GB</i>	<i>Total</i>
Cost of investment:				
Beginning balance and ending balance	4,000,000,000	57,197,127,688	20,060,312,372	81,257,440,060
Accumulated share in post-acquisition profit (loss) of the associates:				
Beginning balance	862,761,310	94,838,488,975	(38,954,405)	95,662,295,880
Share in post-acquisition profit of the associates for the year	-	35,784,673,930	38,240,590	35,822,914,520
Dividends for the year	-	(7,603,000,000)	-	(7,603,000,000)
Ending balance	862,761,310	123,020,162,905	(713,815)	123,882,210,400
Carrying amount:				
Beginning balance	4,862,761,310	152,035,616,663	20,021,357,967	176,919,735,940
Ending balance	4,862,761,310	180,217,290,593	20,059,598,557	205,139,650,460

Saigon Asia Investment and Realty Corporation ("Saigon Asia Real Estate") is a joint stock company established in accordance with Business Registration Certificate No. 4103007346 issued by the DPI of Ho Chi Minh City on 19 July 2007, as amended. Saigon Asia Real Estate's registered office is located at No. 115 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam. Saigon Asia Real Estate's principal activities are to invest and trade real estate properties.

Espace Big C An Lac ("Big C") is a limited liability company with two or more members established in accordance with Investment Licence No. 2013/GP issued by the Ministry of Planning and Investment on 16 December 1997, as amended. Big C's registered office is located at No. 1231 National Road 1A, Quarter 5, Binh Tri Dong Ward, Binh Tan District, Ho Chi Minh City, Vietnam. Big C's principal activity is to develop and operate supermarket chains with retail and wholesale shops, warehouses and processing workshops.

Green Buildings Company Limited ("GB") is a limited liability company with two or more members established in accordance with Investment Certificate No. 411022000448 issued by the Ho Chi Minh City People's Committee on 14 August 2010. GB's registered office is located at No. 1231 National Road 1A, Quarter 5, Binh Tri Dong Ward, Binh Tan District, Ho Chi Minh City, Vietnam. GB's principal activity is to develop an apartment project for sale named Green Building in Ho Chi Minh City.

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

13. LONG-TERM INVESTMENTS (continued)

13.2 Other long-term investments

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Quantity	Value VND	Quantity	Value VND
Investment in securities				
- Thu Duc Housing Development Corporation ("TDH")	15,300	1,312,145,455	15,300	1,312,145,455
- Ho Chi Minh City Development Joint Stock Commercial Bank ("HDB")	12,331	123,310,000	12,331	123,310,000
Other long-term investments		<u>1,700,000,000</u>		<u>2,590,080,439</u>
TOTAL		3,135,455,455		4,025,535,894
Provision for long-term investments		<u>(1,015,325,455)</u>		<u>(1,992,615,894)</u>
NET AMOUNT		<u>2,120,130,000</u>		<u>2,032,920,000</u>

14. GOODWILL

VND

Cost:

Beginning balance	-
Addition (Note 4)	<u>3,806,333,954</u>
Ending balance	<u>3,806,333,954</u>

Accumulated amortisation:

Beginning balance	-
Amortization for the year	<u>-</u>
Ending balance	<u>-</u>

Net carrying amount:

Beginning balance	<u>-</u>
Ending balance	<u>3,806,333,954</u>

15. CAPITALISED BORROWING COST

During the year, the Group capitalized interest expenses of VND 35,472,195,387 (for the year ended 31 December 2013: VND 20,563,973,062). These interest costs were relating to borrowings to finance the construction and development of Phong Phu 4 Residential project, Binh Hung 11A Residential project and An Lac Plaza Complex project.

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

16. SHORT-TERM LOANS AND DEBTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term loans	17,765,312,858	-
Current portion of long-term loans and debts (Note 20)	<u>89,243,800,000</u>	<u>332,215,172,037</u>
TOTAL	<u>107,009,112,858</u>	<u>332,215,172,037</u>

Details of the short-term loan from bank are as follows:

<i>Bank</i>	<i>Ending balance</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND				
Vietnam Prosperity Joint Stock Commercial Bank – Ho Chi Minh Branch					
Loan agreement No. 014/2014/HDTD/CMB-HCM dated 17 January 2014	<u>17,765,312,858</u>	From 23 March 2015 to 30 June 2015	To finance working capital	Fund transfer pricing plus 2% per annum	Unsecured

17. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Value-added tax	1,537,517,615	3,698,484,790
Personal income tax	596,818,876	468,517,230
Natural resource tax	65,936,806	50,037,928
Corporate income tax	-	354,968,302
TOTAL	<u>2,200,273,297</u>	<u>4,572,008,250</u>

18. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Project costs	107,653,717,390	118,014,187,267
Loan interest	2,728,423,359	16,710,091,495
Others	<u>129,233,761</u>	<u>189,272,727</u>
TOTAL	<u>110,511,374,510</u>	<u>134,913,551,489</u>

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

19. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Land compensation payables (*)	84,569,677,499	84,569,677,499
Dividend payables	73,525,644,600	65,765,375,700
Others	<u>61,382,355,292</u>	<u>36,634,610,826</u>
TOTAL	<u>219,477,677,391</u>	<u>186,969,664,025</u>

(*) This represents land compensation payable to owners of raw land that the Company is going to develop as Hamlet 2 Tan Tao Residential Project. This payable will be subsequently paid out of the developed land lots from the said project.

20. LONG-TERM LOANS AND DEBTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loans from banks (i)	333,899,719,050	122,600,935,687
Loans from other entity (ii)	4,331,915,000	6,051,915,000
Debt from the Department of Finance of Ho Chi Minh City (iii)	87,523,800,000	86,336,236,350
Bonds issued	<u>-</u>	<u>300,000,000,000</u>
TOTAL	<u>425,755,434,050</u>	<u>514,989,087,037</u>
<i>In which:</i>		
<i>Current portion (Note 16)</i>	89,243,800,000	332,215,172,037
<i>Non-current portion</i>	336,511,634,050	182,773,915,000

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

20. LONG-TERM LOANS AND DEBTS (continued)

(i) Details of the long-term loans from banks are as follows:

Name of entity	Ending balance	Principal repayment term	Purpose	Interest rate	Description of collateral
VND					
Military Commercial Joint Stock Bank – Cho Lon Branch					
Loan agreement No. 89.14.701.479633. TDTH dated 26 June 2014	131,932,448,535	From 5 April 2016 to 1 July 2019	An Lac Plaza Complex project	Savings deposit interest plus 3.5% per annum	Land use right of 7,648.6 m ² and associated assets at An Lac A Ward, Binh Tan District, Ho Chi Minh City belonging to An Lac Plaza Complex project
Loan agreement No. 90.14.701.479633. TDTH dated 26 June 2014	150,000,000,000	From 5 April 2016 to 1 July 2019	Binh Hung 11A residential project and Hamlet 2 Tan Tao Residential project	Savings deposit interest plus 3.5% per annum	Land use right of 17,244 m ² No T00013/1aQSDD/4028/UB and 1,148 m ² No. 00230/2aQSDD/2580/UB at No. 158A, An Duong Vuong Street, An Lac Ward, Binh Tan District belonging to 158 An Duong Vuong project.
Saigon Thuong Tin Commercial Joint Stock Bank - Binh Tan Transaction office					
Loan agreement No. LD1424800048 dated 5 September 2014	51,967,270,515	From 5 September 2016 to 5 September 2019	Phong Phu 4 Residential project	Savings deposit interest plus 3.2% per annum	Land use rights of 20,996 m ² at Phong Phu Ward, Binh Tan District belonging to Phong Phu 4 Residential project
TOTAL	<u>333,899,719,050</u>				

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

20. LONG-TERM LOANS AND DEBTS (continued)

(ii) Details of the long-term loan from other entity are as follows:

Name of entity	Ending balance	Principal repayment terms	Purpose	Interest rate	Description of collateral
VND					
Ho Chi Minh City Finance and Investment State Owned Company					
Loan agreement No. 17/2010/HDTD-QDT-TD dated 27 May 2010	4,331,915,000	From 15 March 2015 to 15 June 2017	Wastewater treatment project in Le Minh Xuan Industrial Park	10.8% per annum	Land use right of 4,086.1 m ² No. BB971671 at An Lac Ward, Binh Tan District, Ho Chi Minh City belonging to BCCI apartment project
<i>In which:</i>					
Current portion	<u>1,720,000,000</u>				
TOTAL	<u>4,331,915,000</u>				
<i>In which:</i>					
Current portion	1,720,000,000				
Non-current portion	2,611,915,000				

(iii) This is a debt from the Department of Finance of Ho Chi Minh City relating to land rental amounting to US\$ 4,095,000 which was used as the Company's capital contribution when its affiliate, Big C An Lac was established. This is in accordance with the Land Lease Contract No. 6063/HD-GTD dated 30 October 1998 with the Department of Land and Housing of Ho Chi Minh City. This is a non-interest bearing debt that matured on 16 December 2010 but remained unpaid at the balance sheet date.

21. UNEARNED REVENUES

	VND	
	Ending balance	Beginning balance
Advances received for transfer of land lots, houses (*)	383,068,735,882	443,152,815,148
Advances received for land leases of Le Minh Xuan industrial park	<u>212,197,345,295</u>	<u>218,042,071,031</u>
TOTAL	<u>595,266,081,177</u>	<u>661,194,886,179</u>

(*) This represents advances from customers who buy land lots and houses for which the Group has issued the corresponding invoices.

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

22. OWNERS' EQUITY

22.1 Movements in owners' equity

	Share capital	Share premium	Investment and development fund	Financial reserve fund	Other fund	Undistributed earnings	Total	VND
Previous year								
Beginning balance	722,670,000,000	610,750,058,000	136,210,275,252	73,365,408,572	12,332,000,000	241,575,719,629	1,796,903,461,453	
Net profit for the year	-	-	-	-	-	95,671,250,381	95,671,250,381	
Appropriation of net profit	-	-	6,103,296,583	6,103,296,583	-	(12,206,593,166)	-	
Transfer to bonus and welfare fund	-	-	-	-	-	(9,017,856,948)	(9,017,856,948)	
Dividends declared	-	-	-	-	-	(130,080,600,000)	(130,080,600,000)	
Ending balance	722,670,000,000	610,750,058,000	142,313,571,835	79,468,705,155	12,332,000,000	185,941,919,896	1,753,476,254,886	
Current year								
Beginning balance	722,670,000,000	610,750,058,000	142,313,571,835	79,468,705,155	12,332,000,000	185,941,919,896	1,753,476,254,886	
Net profit for the year	-	-	-	-	-	97,240,803,334	97,240,803,334	
Appropriation of net profit	-	-	4,783,562,519	4,783,562,519	-	(9,567,125,038)	-	
Transfer to bonus and welfare fund	-	-	-	-	-	(7,562,357,530)	(7,562,357,530)	
Dividends declared	-	-	-	-	-	(72,267,000,000)	(72,267,000,000)	
Ending balance	722,670,000,000	610,750,058,000	147,097,134,354	84,252,267,674	12,332,000,000	193,786,240,662	1,770,887,700,690	

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 owners and distribution of dividends

	VND	
	Current year	Previous year
Contributed share capital		
Beginning and ending balances	722,670,000,000	722,670,000,000
Dividends declared	(72,267,000,000)	(130,080,600,000)
Dividends paid	(64,506,731,100)	(69,625,225,800)

22.3 Shares - ordinary shares

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Quantity	Amount VND	Quantity	Amount VND
Shares authorised to be issued	72,267,000	722,670,000,000	72,267,000	722,670,000,000
Shares issued and fully paid				
<i>Ordinary shares</i>	72,267,000	722,670,000,000	72,267,000	722,670,000,000
Shares in circulation				
<i>Ordinary shares</i>	72,267,000	722,670,000,000	72,267,000	722,670,000,000

22.4 Earnings per share

Basic and diluted earnings per share are calculated as follows:

	VND	
	Current year	Previous year
Net profit attributable to ordinary equity holders of the Company	97,240,803,334	95,671,250,381
Weighted average number of ordinary shares	72,267,000	72,267,000
Earnings per share		
- <i>Basic</i>	1,346	1,324
- <i>Diluted</i>	1,346	1,324

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

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

23. REVENUES

23.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	240,808,749,046	349,899,428,806
<i>Of which:</i>		
<i>Sale of residential land properties</i>	156,752,195,418	276,731,561,225
<i>Rendering of services</i>	64,143,086,151	54,488,234,739
<i>Operating lease of land</i>	11,702,453,997	11,576,616,950
<i>Operating lease of factory and warehouse</i>	8,211,013,480	7,103,015,892
Less	(46,156,110)	(153,878,240)
Sales allowances	(46,156,110)	(153,878,240)
NET REVENUE	<u>240,762,592,936</u>	<u>349,745,550,566</u>
<i>Of which:</i>		
<i>Sale of residential land properties</i>	156,752,195,418	276,731,561,225
<i>Rendering of services</i>	64,096,930,041	54,334,356,499
<i>Operating lease of land</i>	11,702,453,997	11,576,616,950
<i>Operating lease of factory and warehouse</i>	8,211,013,480	7,103,015,892

23.2 Finance income

	VND	
	Current year	Previous year
Interest income	6,564,880,054	18,891,934,277
Dividends earned	4,315,850	8,631,700
TOTAL	<u>6,569,195,904</u>	<u>18,900,565,977</u>

24. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of residential land properties sold	87,913,978,449	191,264,855,805
Cost of services rendered	33,824,674,188	29,484,314,325
Cost of operating lease of land	3,295,395,167	2,814,522,379
Cost of operating lease of factory and warehouse	631,193,726	518,123,391
TOTAL	<u>125,665,241,530</u>	<u>224,081,815,900</u>

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

25. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expense	7,122,431,812	32,609,928,082
Unrealised foreign exchange losses	1,187,563,650	1,053,131,807
Loss on disposal of investment	890,080,439	-
Reversal of provision for diminution in value of investment	(977,290,439)	(24,480,000)
Others	252,502,126	-
TOTAL	<u>8,475,287,588</u>	<u>33,638,579,889</u>

26. OTHER INCOME AND EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Other income	2,107,123,124	1,710,487,705
Penalty for cancelation of contracts	659,848,450	540,997,961
Others	1,447,274,674	1,169,489,744
Other expenses	(232,016,947)	(104,036,312)
Others	(232,016,947)	(104,036,312)
NET	<u>1,875,106,177</u>	<u>1,606,451,393</u>

27. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 22% (2013: 25%) of taxable profits.

The Group's tax returns are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

27.1 CIT expense

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	7,640,328	1,717,467,154
Deferred tax income	(267,126,145)	(24,756,545)
TOTAL	<u>(259,485,817)</u>	<u>1,692,710,609</u>

27.2 Current tax

The current tax payable is based on taxable profit for the current 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 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 at the balance sheet date.

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

27. CORPORATE INCOME TAX (continued)

27.2 Current tax (continued)

A reconciliation between profit before tax and estimated taxable profit (tax loss) are presented below:

	Current year		VND Previous year
	Real estate activities	Other activities	
Profit before tax	39,900,903,402	57,293,887,993	96,521,621,341
Adjustments to increase (decrease) accounting profit:			
Non-deductible expenses	1,053,801,121	-	1,053,801,121
Dividend earned	-	(4,315,850)	(4,315,850)
Accrued interest income	(418,511,292)	1,060,130,977	1,060,130,977
Change in accrual for severance allowance	-	-	(418,511,292)
Loss in subsidiaries	-	-	-
Share of profit in associates	-	(35,822,914,520)	(35,822,914,520)
Provision for investments in subsidiaries	-	(3,352,747,958)	(3,352,747,958)
Unrealized profits	-	572,590,065	572,590,065
Adjusted net profit before tax loss carried forward	40,536,193,231	19,746,630,707	60,282,823,938
Tax loss carried forward	(40,536,193,231)	(19,708,429,067)	(60,244,622,298)
Estimated current taxable profit	-	38,201,640	38,201,640
Estimated current CIT		7,640,328	1,717,467,154
CIT payable at beginning of year		354,968,302	60,929,347,057
Provisional CIT on cash collection		(609,973,842)	(1,103,112,994)
CIT paid during the year		(1,995,153,470)	(61,188,732,915)
CIT (receivable) payable at end of year		(2,242,518,682)	354,968,302

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

27. CORPORATE INCOME TAX (continued)

27.3 *Deferred tax*

The following are the deferred tax assets recognized 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>
<i>Deferred tax assets</i>				
Severance allowance	263,940,215	356,012,699	(92,072,484)	(122,691,520)
Unrealized profits	125,969,814	-	125,969,814	-
Interest income	(25,440,362)	(258,669,177)	233,228,815	147,448,065
<i>Deferred tax assets</i>	<u>364,469,667</u>	<u>97,343,522</u>		
<i>Deferred income tax benefit</i>			<u>267,126,145</u>	<u>24,756,545</u>

27.4 *Unrecognised deferred tax for tax losses*

The Group is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Group had accumulated tax losses of VND 37,089,466,834 (31 December 2013: VND 97,885,992,716) available for offset against future taxable profits with details are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount</i>	<i>Utilised up to 31 December 2014</i>	<i>Forfeited</i>	<i>VND Unutilised up to 31 December 2014</i>
2009	2014	1,253,889,370	(701,985,786)	(551,903,584)	-
2010	2015	3,117,583,319	-	-	3,117,583,319
2011	2016	2,310,162,429	-	-	2,310,162,429
2012	2017	142,595,923,454	(113,153,223,649)	-	29,442,699,805
2013	2018	2,219,021,281	-	-	2,219,021,281
TOTAL		<u>151,496,579,853</u>	<u>(113,855,209,435)</u>	<u>(551,903,584)</u>	<u>37,089,466,834</u>

Estimated tax losses as per the Group's CIT declaration have not been audited by the local tax authorities as of the date of these consolidated financial statements.

No deferred income tax asset was recognised in respect of the accumulated tax losses of VND 37,089,466,834 because future taxable profit to utilise unused tax losses cannot be ascertained at this stage.

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

28. COMMITMENTS

Capital commitments

As at 31 December 2014, the Group has a commitment of VND 791,711,152 (31 December 2013: VND 882,620,243) principally relating to the development of infrastructure of Le Minh Xuan Industrial Park.

Lease commitments - Group as lessor

The Group has entered into several operating lease agreements in respect of the lease of land and factory building. The terms of the agreements are generally between 1 and 50 years. The future minimum lease income of the Group under such non-cancellable operating leases are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	6,496,663,188	4,339,772,689
From 1-5 years	15,614,616,757	12,478,992,050
More than 5 years	2,475,646,996	3,135,221,722
TOTAL	<u>24,586,926,941</u>	<u>19,953,986,461</u>

29. TRANSACTIONS WITH RELATED PARTIES

Significant transaction with related party during the year was as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	VND
			<i>Amount</i>
Espace Big C An Lac	Associate	Dividend received	7,603,000,000
Ms. Truong My Linh	Related party	Sale of residential land properties	13,999,090,910

Amounts due from a related party at the balance sheet date were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	VND
			<i>Amount</i>
Trade receivable			
Ms. Truong My Linh	Related party	Sale of residential land properties	<u>4,792,000,000</u>

Remuneration to members of the Board of Directors and Management

	VND	
	<i>Current year</i>	<i>Previous year</i>
Salaries and bonus	<u>10,356,057,784</u>	<u>7,028,449,079</u>

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

30. SEGMENT INFORMATION

The Group is principally engaged in the development and trading of real estate properties, including factory, warehouse and land for lease; and provision of the services to entities in industrial park. Accordingly, the operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between business segments. Those transfers are eliminated in preparation of consolidated financial statements.

The following table presents revenue and profit and certain assets and liabilities information for the year ended 31 December 2014 regarding the Group's business segment:

	Real estate	Service	Elimination	VND Total
Net revenue				
Sales to external customers	176,665,662,895	64,813,290,106	(716,360,065)	240,762,592,936
Total net revenue	176,665,662,895	64,813,290,106	(716,360,065)	240,762,592,936
Results				
Segment gross profit	84,825,095,553	30,844,845,918	(572,590,065)	115,097,351,406
Unallocated expenses				(53,694,489,024)
Finance income				6,569,195,904
Finance expenses				(8,475,287,588)
Other profit				1,875,106,177
Share of profit of associates				35,822,914,520
Net profit before corporate income tax				97,194,791,395
Current corporate income tax expense				(7,640,328)
Deferred income tax benefit				267,126,145
Net profit for the year				97,454,277,212
Assets and liabilities				
Segment assets	2,879,256,528,874	18,330,672,945	(2,556,546,131)	2,895,030,655,688
Unallocated assets				342,025,560,419
Total assets				3,237,056,216,107
Segment liabilities	505,323,776,262	10,516,443,047	(1,994,151,614)	513,846,067,695
Unallocated liabilities				952,322,447,722
Total liabilities				1,466,168,515,417

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

30. SEGMENT INFORMATION (continued)

The following table presents revenue and profit and certain assets and liabilities information for the year ended 31 December 2013 regarding the Group's business segment:

	Real estate	Service	Elimination	VND Total
Net revenue				
Sales to external customers	295,411,194,067	54,334,356,499	-	349,745,550,566
Total net revenue	295,411,194,067	54,334,356,499	-	349,745,550,566
Results				
Segment gross profit	100,813,692,492	24,850,042,174	-	125,663,734,666
Unallocated expenses				(54,273,162,762)
Finance income				18,900,565,977
Finance expenses				(33,638,579,889)
Other loss				1,606,451,393
Share of profit of associates				38,262,611,956
Net profit before corporate income tax				96,521,621,341
Current corporate income tax expense				(1,717,467,154)
Deferred income tax benefit				24,756,545
Net profit for the year				94,828,910,732
Assets and liabilities				
Segment assets	2,965,413,487,394	22,698,774,118	-	2,988,112,261,512
Unallocated assets				451,531,551,497
Total assets				3,439,643,813,009
Segment liabilities	581,273,241,031	8,871,026,845	-	590,144,267,876
Unallocated liabilities				1,010,031,640,936
Total liabilities				1,600,175,908,812

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities are loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and development of the Group's property portfolio. The Group has trade and other receivables, cash and short-term deposits that arise directly from its operations. The Group does not hold or issue any derivative financial instruments.

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

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

Market risk

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

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 are all constant.

In calculating the sensitivity analyses, management assumed that:

- ▶ the sensitivity 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 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 favorable for its purposes within its risk management limits.

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings.

With all other variables held constant, profit before tax and the cost for development of property projects of the Group are mainly affected through the impact on floating rate borrowings because the Group obtained these loans to finance for the development of projects. The impact is disclosed as follows:

	<i>Increase/decrease in basis points</i>	<i>Effect on real estate properties in progress on the consolidated balance sheet</i>	<i>Effect on profit before tax</i>
			VND
Current year			
VND	+300	8,343,539,320	(1,673,452,252)
VND	-300	(8,343,539,320)	1,673,452,252
Previous year			
VND	+300	4,991,408,095	(7,868,177,426)
VND	-300	(4,991,408,095)	7,868,177,426

Real estate risk

The Group has identified the following risks associated with the real estate portfolio: (i) the cost of the development schemes may increase if there are delays in the planning process. The Group uses advisers who are experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process; (ii) the exposure of the fair values of the portfolio to market and occupier fundamentals.

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 (primarily for deposit with banks).

Credit risks related to receivables resulting from the sale of real estate properties

Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Group's credit risk in this respect.

Bank deposits

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the management in accordance with the Group's policy.

The Group's maximum exposure to credit risk for the components of the consolidated balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Group evaluates the concentration of credit risk in respect to bank deposit as low.

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.

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

	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>VND</i> <i>Total</i>
Ending balance			
Loans and borrowings	107,009,112,858	336,511,634,050	443,520,746,908
Trade payables	70,325,320,787	-	70,325,320,787
Other payables and accrued expenses	329,989,051,901	-	329,989,051,901
	<u>507,323,485,546</u>	<u>336,511,634,050</u>	<u>843,835,119,596</u>
Beginning balance			
Loans and borrowings	332,215,172,037	182,773,915,000	514,989,087,037
Trade payables	75,155,180,839	-	75,155,180,839
Other payables and accrued expenses	321,883,215,514	-	321,883,215,514
	<u>729,253,568,390</u>	<u>182,773,915,000</u>	<u>912,027,483,390</u>

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 and debt maturing within 12 months can be rolled over with existing lenders.

Collateral

The Group has pledged its land use right of projects in order to fulfil the collateral requirements for the long-term loans obtained from banks (*Note 20*). The bank has an obligation to return the land use right to the Group. There are no other significant terms and conditions associated with the use of collateral.

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

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

32. 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		VND
	Ending balance	Cost	Provision	Ending balance	Beginning balance	
Financial assets						
Long-term investments	3,135,455,455	4,025,535,894	(1,992,615,894)	2,120,130,000	2,032,920,000	
Short term deposits	-	58,600,000,000	-	-	58,600,000,000	
Trade receivables	211,611,868,291	220,546,988,567	(3,765,554,890)	210,044,701,321	216,781,433,677	
Receivable from a related party	4,792,000,000	-	-	4,792,000,000	-	
Other receivables	32,505,230,466	34,384,330,100	(8,882,847,000)	24,719,230,466	25,501,483,100	
Cash and cash equivalents	87,389,499,218	175,032,952,714	-	87,389,499,218	175,032,952,714	
TOTAL	339,434,053,430	492,589,807,275	(14,641,017,784)	329,065,561,005	477,948,789,491	
						VND
	Carrying amount			Fair value		
	Ending balance	Beginning balance	Ending balance	Beginning balance		
Financial liabilities						
Loans and borrowings	443,520,746,908	514,989,087,037	443,520,746,908	514,989,087,037		
Trade payables	70,325,320,787	75,155,180,839	70,325,320,787	75,155,180,839		
Other payables and accrued expenses	329,989,051,901	321,883,215,514	329,989,051,901	321,883,215,514		
TOTAL	843,835,119,596	912,027,483,390	843,835,119,596	912,027,483,390		

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

32. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)


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

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

- ▶ Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ▶ The fair value of borrowings is estimated by discounting future cash flows using rates currently available for debt or similar terms, credit risk and remaining maturities. As at 31 December 2014, the carrying amounts of such borrowings, are not materially different from their calculated fair values.

33. EVENTS AFTER THE BALANCE SHEET DATE

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 in subsequent periods.



Nguyen Kim Phung
Preparer



Nguyen Duong An
Chief Accountant



Nguyen Thuy Nhan
General Director



11 March 2015