



SEPARATE FINANCIAL STATEMENTS

4th Quarter of 2015

January 2016



ISO 9001: 2008

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SEPARATE BALANCE SHEET

As at 31 December 2015

Unit: VND

	Assets	Code	Notes	Ending Balance	Beginning Balance
A -	Current Assets (100 = 110+120+130+140+150)	100		776.384.131.170	630.756.995.455
I.	Cash and cash equivalents	110	IV.1	256.392.478.282	213.128.104.124
1	Cash	111		38.092.478.282	26.038.589.050
2	Cash equivalents	112		218.300.000.000	187.089.515.074
II.	Short-term investments	120	IV.2	85.972.796.646	10.489.022.581
1	Short-term investments	121		1.007.003.913	5.657.126.570
2	Provision for diminution in value of held-for-trading securities (*)	122		(34.207.267)	(1.168.103.989)
3	Held-to-maturity investments	123		85.000.000.000	6.000.000.000
III.	Current accounts receivable	130		336.203.706.207	291.400.628.088
1	Short-term trade receivables	131	IV.3	303.408.595.906	276.169.587.936
2	Short-term advances to suppliers	132		7.045.277.072	14.714.453.265
3	Other short-term receivables	136	IV.4	28.430.300.820	28.702.399.610
4	Provision for doubtful debts (*)	137		(2.680.467.591)	(28.185.812.723)
IV.	Inventories	140	IV.5	96.789.920.947	114.996.401.652
1	Inventories	141		97.399.776.687	115.290.968.684
2	Provision for obsolete inventories (*)	149		(609.855.740)	(294.567.032)
V.	Other current assets	150		1.025.229.088	742.839.010
1	Short-term prepaid expenses	151	IV.9(a)	1.025.229.088	478.694.287
2	Value-added tax deductible	152		-	-
3	Other taxes receivable	153	IV.13(b)	-	264.144.723
4	Other current assets	155	IV.10(a)	-	-
B -	Long-term assets (200 = 210+220+240+250+260)	200		143.290.412.889	141.393.446.719
I.	Long-term receivable	210		1.334.501.840	934.601.840
1	Other long-term receivable	216	IV.4	1.334.501.840	934.601.840
II.	Fixed assets	220		10.244.014.966	15.101.866.852
1	Tangible fixed assets	221	IV.7	9.955.843.958	10.825.801.736
	Cost	222		32.703.643.705	31.696.101.363
	Accumulated depreciation (*)	223		(22.747.799.747)	(20.870.299.627)
2	Finance lease	224		-	-
3	Intangible fixed assets	227	IV.8	288.171.008	4.276.065.116
	Cost	228		934.956.753	4.881.781.473
	Accumulated amortisation (*)	229		(646.785.745)	(605.716.357)
III.	Property Investment	230		-	-
IV.	Long-term assets in progress	240		140.231.488	140.231.488
1	Construction in progress	242	IV.6	140.231.488	140.231.488
V.	Long-term investments	250		127.692.880.000	121.392.880.000
1	Investments in subsidiaries	251		70.000.000.000	70.000.000.000
2	Investments in associate	252	IV.2	51.392.880.000	51.392.880.000
3	Investments in other entities	253		6.300.000.000	-

SEPARATE BALANCE SHEET (continued)

As at 31 December 2015

Unit: VND

Assets		Code	Notes	Ending Balance	Beginning Balance
VI.	Other long-term assets	260		3.878.784.595	3.823.866.539
1	Long-term prepaid expenses	261	IV.9(b)	2.021.732.618	2.394.307.055
2	Deferred income tax assets	262	IV.18(a)	1.857.051.977	1.429.559.484
	Total Assets (270 = 100 + 200)	270		919.674.544.059	772.150.442.174
Resources		Code	Notes	Ending Balance	Beginning Balance
A -	Liabilities (300 = 310+330)	300		547.382.675.236	416.266.558.576
I.	Current liabilities	310		540.835.146.486	410.694.369.826
1	Short-term trade payables	311	IV.12(a)	92.964.321.588	53.003.870.500
2	Short-term advance from customers	312		71.517.506.935	79.533.581.107
3	Statutory obligations	313	IV.13(a)	22.077.883.061	17.727.382.678
4	Payables to employees	314		22.385.923.879	16.995.110.267
5	Short-term accrued expenses	315	IV.14(a)	32.245.329.653	46.606.959.787
6	Other short-term payables	319	IV.15(a)	5.280.908.551	2.691.443.041
7	Short-term loans	320	IV.11(a)	288.518.870.631	179.031.737.634
8	Provisions for short-term liabilities	321	IV.17(a)	2.913.522.321	9.456.527.228
9	Bonus and welfare funds	322		2.930.879.867	5.647.757.584
II.	Long-term liabilities	330		6.547.528.750	5.572.188.750
1	Other long-term payables	337	IV.15(b)	142.000.000	142.000.000
2	Long-term loans	338	IV.11(b)	-	-
3	Provisions for long-term liabilities	342	IV.17(b)	6.405.528.750	5.430.188.750
B -	Owner's Equity (400 = 410+430)	400		372.291.868.823	355.883.883.598
I.	Owner's equity	410	IV.19	372.291.868.823	355.883.883.598
1	Charter capital	411		243.749.160.000	243.749.160.000
2	Share premiums	412		42.217.165.031	42.217.165.031
3	Treasury shares (*)	415		(284.019.059)	(284.019.059)
4	Investment and development funds	418		42.104.023.390	39.232.834.181
5	Undistributed earning	421		44.505.539.461	30.968.743.445
5.1	Undistributed earning accumulated by the end of previous period	421a		4.231.379.922	3.074.027.833
5.2	Undistributed earning this period	421b		40.274.159.539	27.894.715.612
	Total Resources (600 = 300+400+500)	600		919.674.544.059	772.150.442.174

PREPARER



Tran Thanh Lam

CHIEF ACCOUNTANT



Mai Thi Kim Dung

Ho Chi Minh City, 27 January 2016

GENERAL DIRECTOR



Le Tan Phuoc

SEPARATE INCOME STATEMENT

For the period: 4th Quarter of 2015

Items	Code	Notes	Unit: VND			
			This period	Previous period	Current year	Previous year
1 Sales	01	V.01	333.324.982.317	284.220.132.881	828.820.908.453	590.441.850.645
2 Less deduction	02	V.02	10.080.759	932.258.539	506.107.674	2.270.108.548
3 Net sales (10= 01-02)	10		333.314.901.558	283.287.874.342	828.314.800.779	588.171.742.097
4 Cost of sales	11	V.03	288.368.703.915	246.538.294.536	721.602.092.388	506.071.858.282
5 Gross profit (20=10 - 11)	20		44.946.197.643	36.749.579.806	106.712.708.391	82.099.883.815
6 Financial income	21	V.04	7.183.948.472	16.808.842.727	22.929.542.254	36.860.391.725
7 Financial expenses	22	V.05	3.003.567.969	3.395.814.901	10.989.805.898	8.070.759.995
<i>In which: Interest expenses</i>	23		2.900.450.016	1.950.521.239	10.158.763.820	6.007.008.373
8 General and administration expenses	26	V.08a	31.718.515.656	30.054.398.610	72.599.733.203	64.148.199.291
9 Operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		17.408.062.490	20.108.209.022	46.052.711.544	46.741.316.254
10 Other income	31	V.06	25.081.842.334	553.107.856	26.416.432.817	763.418.941
11 Other expenses	32	V.07	5.664.677.559	555.500.600	6.874.348.990	798.068.618
12 Net other income (40 = 31 - 32)	40		19.417.164.775	(2.392.744)	19.542.083.827	(34.649.677)
13 Net profit before tax (50 = 30 + 40)	50		36.825.227.265	20.105.816.278	65.594.795.371	46.706.666.577
14 Business income tax- current	51	V.09	7.899.457.867	2.178.139.058	13.567.190.325	6.283.413.829
15 Business income tax- deferred	52	V.10	(264.135.141)	(235.208.362)	(427.492.493)	347.599.136
16 Net profit after tax (60 = 50 - 51 - 52)	60		29.189.904.539	18.162.885.582	52.455.097.539	40.075.653.612

PREPARER



Tran Thanh Lam

CHIEF ACCOUNTANT



Mai Thi Kim Dung

Ho Chi Minh City, 27 January 2016

GENERAL DIRECTOR



Le Tan Phuoc

CASH FLOW STATEMENT

(Indirect method)

For the period ended 31 December 2015

Items	Code	Notes	Unit: VND	
			Current year	Previous year
I Cash flows from operating activities				
1 Net profit before tax	01		65.594.795.371	46.706.666.577
2 Adjustment for:				
- Depreciation and amortisation	02		2.058.947.505	2.157.099.931
- Provisions	03		(6.386.272.921)	928.783.358
- Unrealised foreign exchange gains/losses	04		59.399.953	15.708.891
- Profits from investing activities	05		(41.943.059.665)	(34.503.172.641)
- Interest expense	06		10.158.763.820	6.007.008.373
- Other adjustments	07		-	-
3 Operating profit before changes in working capital	08		29.542.574.063	21.312.094.489
- Increase/Decrease in receivables	09		(24.914.023.401)	(150.407.956.364)
- Increase/Decrease in inventories	10		17.891.191.997	7.409.925.484
- Increase/Decrease in payables	11		23.669.944.793	63.647.305.472
- Increase/Decrease prepaid expenses	12		(173.960.364)	898.037.455
- Increase/Decrease in held-for-trading securities	13		4.650.122.657	-
- Interest paid	14		(10.037.203.416)	(5.941.119.656)
- Business income tax paid	15		(7.627.333.513)	(8.434.286.968)
- Other receipts from operating activities	16		-	1.714.500.803
- Other payments on operating activities	17		(9.704.739.965)	(9.883.678.931)
Net cash outflows from operating activities	20		23.296.572.851	(79.685.178.216)
II Cash flows from investing activities				
1 Purchases of fixed assets and other long-term assets	21		(1.509.239.181)	(1.230.021.880)
2 Proceeds from disposals of fixed assets	22		17.000.000.000	-
3 Loans granted, purchases of debt instruments of other entities	23		(79.000.000.000)	(45.836.267.913)
4 Collection of loans, proceeds from sales of debt instruments of other entities	24		-	39.783.931.322
5 Payments for investments in other entities	25		(6.300.000.000)	(51.392.880.000)
6 Proceeds from divestment in other entities	26		-	-
7 Dividends and interest received	27		9.475.815.959	34.270.770.273
Net cash from investing activities	30		(60.333.423.222)	(24.404.468.198)

CASHFLOW STATEMENT (continued)

For the period ended 31 December 2015

			<i>Unit: VND</i>		
	Items	Code	Notes	Current year	Previous year
III Cash flows from financing activities					
1	Proceeds from shares issued	31		-	-
2	Payments for shares returns and repurchases	32		-	(15.934.000)
3	Proceeds from borrowings	33		597.572.476.828	454.109.462.427
4	Repayments of borrowings	34		(488.085.343.831)	(333.370.377.815)
5	Repayments of financial leases	35		-	-
6	Dividends paid	36		<u>(29.186.803.774)</u>	<u>(32.391.383.300)</u>
	<i>Net cash from financing activities</i>	40		80.300.329.223	88.331.767.312
	Net decrease in cash and cash equivalents	50		43.263.478.852	(15.757.879.102)
	Cash and cash equivalents at beginning of year	60		213.128.104.124	228.886.652.129
	Effect of foreign exchange differences	61		<u>895.306</u>	<u>(668.903)</u>
	Cash and cash equivalents at end of period	70		<u>256.392.478.282</u>	<u>213.128.104.124</u>

Ho Chi Minh City, 27 January 2016

PREPARER



Tran Thanh Lam

CHIEF ACCOUNTANT



Mai Thi Kim Dung

GENERAL DIRECTOR



Le Tan Phuoc

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the period ended 31 December 2015

I GENERAL INFORMATION

Seaprodex Refrigeration Industry Corporation (“the Company”) was established in SR Vietnam pursuant to Business Registration Certificate No. 063592 was issued by the Planning and Investment Department of Ho Chi Minh City on 18 September 1999 and the 15th amendment No. 0301825452 dated 15 July 2014.

The Company's principal activities are to consult, survey, design, supply of materials and equipment and provide installation services in relation to industrial refrigeration projects, supply and install air conditioners, electricity system, fire prevention and fighting system, lift, water system, mechanics for industrial and household projects.

Head office: Seaprodex Refrigeration Industry Corporation is located at Floor 14th, Centec Tower Building, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.

Branch in Da Nang: SEA Refrigeration Electrical Engineering Company (“SEAREE”) – Street No 10, Hoa Khanh Industrial Park, Lien Chieu District, Da Nang City, Vietnam.

Branch in Ho Chi Minh: Branch of Mechanical and Electrical Engineering - Seaprodex Refrigeration Industry Corporation, is located at Floor 14th, Centec Tower Building, 72-74 Nguyen Thi Minh Khai Street, Ward 6, District 3, Ho Chi Minh City, Vietnam.

Subsidiary: Asia Refrigeration Industry Company Limited (“Arico”) at Lot 25-27 Central Road, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

The Company has registered with Planning and Investment Department of Ho Chi Minh City and received a Business Registration Certificate No 4104002210 dated 22nd October 2007 for establishment of new company named Asia Refrigeration Industry Company Limited (subsidiary), 100% capital contributed by Seaprodex Refrigeration Industry Corporation. The subsidiary is located at Lot 25-27 Central Road, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam.

In 2008, the Company was registered as an investment plan with Board of Management of Hochiminh Export Processing and Industrial Zones Authority (HEPZA) and received an Investment Certificate No 41221000103 dated 2nd April 2008. As at 1 January 2010, this project has been transferred to Arico in form of capital contribution.

The main activity of the subsidiary is manufacturing, processing, making equipments, machines, spare parts for refrigeration industry, consulting services, assembling, supplying of materials and equipment, executing installing and maintaining, repairing systems, thermal-mechanical-electrical equipments, automatic and controlled equipments, elevator and rolling leader, building of household projects, industrial, interior and exterior decorative.

The legal representative of the Company authorised the Director of the subsidiary to be responsible for preparing the separate financial statements of the subsidiary, in conformation to the requirements of Group’s accounting policies.

II ACCOUNTING SYSTEM

1 Basis of preparation of financial statements

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations in SR Vietnam.

The accounting policies applied for preparing the separate financial statements are consistent with the accounting policies applied in the previous year.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Basis of preparation of financial statements (continued)

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

Financial statements of the Company and of the subsidiary are consolidated into the Group's financial statements ("the Group").

2 Consolidation

Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding more than 50 percent of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible will be considered when assessing whether the Group has the right to control an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

When consolidating, the financial statements of the parent company and subsidiary are consolidated line by line by adding equivalent items of assets, liabilities, owner's equity, revenue, other incomes and expenses.

The book value of investment of the parent company in each subsidiary and share capital of the parent company have to be eliminated (stipulated in Accounting Standard "Business Consolidation", this standard also stipulates the accounting method of arising goodwill).

Transactions, liabilities, unrealized gains and losses arising among subsidiaries of the same Group are eliminated on consolidation. Accounting policies of subsidiaries also change (if necessary) to ensure the consistency to the accounting policies which is adopted by the Group.

3 Fiscal year

The Group's fiscal year is from 1 January to 31 December.

4 Currency

The financial statements are measured in Vietnamese Dong and presented using Vietnamese Dong.

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising from these translations are recognised in the income statement.

Exchange rate of currency as at 31 December 2015:

Currency	Exchange
USD	22.520,00 VND/USD
EUR	24.711,00 VND/EUR
GBP	33.509,00 VND/GBP
JPY	187,69 VND/JPY
SGD	15.995,00 VND/SGD
AUD	16.513,00 VND/AUD

III ACCOUNTING POLICIES

1 Form of records applied

The Group uses journal ledgers to record its transactions.

2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

3 Recognition of revenue and project costs

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:

Construction contract

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the amount of work completed and certified by customers at the balance sheet date. Variations in contract value, claimable receivable and other receivable are included in revenue to the extent that they have been agreed with the customer, verified by the customers and issued invoices.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that that it is probable that contract costs incurred will be recoverable.

When an invoice is issued in advance to customer for the work that has not been completed by the Company and certified by the customer, the amount is recognized as deferred revenue.

Contract costs are recognised as expenses based on amount of work completed at the balance sheet date and the estimated gross profit of the projects. The General Director, Directors of the subsidiary and the branch are responsible to follow up, update and adjust the gross profit periodically.

Sales of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest income

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

Dividends income

Dividends income is recognised when the Group's entitlement as an investor to receive the dividends is established.

4 Trade receivables

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

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

5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Inventories (continued)

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 of the provision balance are recorded into the cost of goods sold account in the income statement.

6 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation

Fixed assets are depreciated using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Buildings	5 - 25 years
Plan and machinery	5 - 20 years
Motor vehicles	6 - 10 years
Office equipments	3 - 8 years
Software	3 years
Others	5 - 20 years

Land use rights are granted for indefinite term, therefore no amortisation has been made.

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

7 Construction in progress

Construction in progress comprises tangible fixed assets under construction and is stated at cost. This expense includes construction fees, machinery and equipment and other direct expenses. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operation.

8 Investments in securities and other investments

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

9 Investment 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 subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Investment in associates (continued)

In the consolidated financial statements, 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. Positive goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over 10-year period. Negative goodwill on acquisition of the associate recorded to consolidated income statements.

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. Dividend/profit sharing received or receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period 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.

10 Borrowing costs

Borrowing costs comprise interest expenses and other fees directly attributable to borrowings of the Group.

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

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

11 Current and deferred income tax

Current income tax

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

Current income tax is charged or credited to the 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.

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 purposes.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Deferred income tax (continued)

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences 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 profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

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

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

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset the deferred income tax assets and deferred income tax liabilities relate to the same taxation authority for the same taxable entity.

12 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders or approved by the Board of Management (in case of interim dividends payment).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

13 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

14 Provision for severance allowances

The severance pay to employee is accrued at the end of each reporting year for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting 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 42 of the Labour Code.

15 Appropriation of net profit

Net profit after tax is available for appropriation to shareholders after approval by the shareholders at the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnamese regulatory requirements.

Investment and development fund

Investment and development fund is appropriated from the Group's net profit as proposed by the Board of Management and subject to approval by shareholders at the Annual General Meeting. This fund is set aside for use in the Group's expansion of its operation or in-depth investments.

Bonus and welfare fund

Bonus and welfare fund is appropriated from the Group's net profit as proposed by the Board of Management and subject to shareholders' approval at the Annual General Meeting. This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' material and spiritual benefits.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Unit: VND

IV. Notes to separate balance sheet

1- Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	453.516.208	446.967.611
Cash at banks	37.638.962.074	25.070.110.880
Cash in transit	-	521.510.559
Cash equivalents (*)	218.300.000.000	187.089.515.074
Total	<u>256.392.478.282</u>	<u>213.128.104.124</u>

(*) Represent bank term deposits with the maturity of less than three months.

2- Financial investments

	<u>Ending balance</u>			<u>Beginning balance</u>			
	Cost	Current value	Provision	Cost	Current value	Provision	
a) Trading securities	1.007.003.913	972.796.646	34.207.267	5.657.126.570	4.489.022.581	1.168.103.989	
- Listed shares	1.007.003.913	972.796.646	34.207.267	5.657.126.570	4.489.022.581	1.168.103.989	
		<u>Ending balance</u>		<u>Beginning balance</u>			
		Cost	Value	Cost	Value		
b) Held-to-maturity investments		85.000.000.000	85.000.000.000	6.000.000.000	6.000.000.000		
- Short-term bank deposits (3 to less than 12 months)		85.000.000.000	85.000.000.000	6.000.000.000	6.000.000.000		
c) Investment on other entities		<u>Ending balance</u>		<u>Beginning balance</u>			
		Cost	Provision	Current value	Cost	Provision	Current value
- ARICO	70.000.000.000	-	70.000.000.000	70.000.000.000	-	70.000.000.000	
- XLHUE	51.392.880.000	-	51.392.880.000	51.392.880.000	-	51.392.880.000	
- INWATEK	6.300.000.000	-	6.300.000.000	-	-	-	
Total	<u>127.692.880.000</u>	-	<u>127.692.880.000</u>	<u>121.392.880.000</u>	-	<u>121.392.880.000</u>	

- Investments in subsidiaries: Asian Refrigeration Industry Company Limited (ARICO), 100% ownership.

- Investments in associates: Thua Thien Hue Construction Joint Stock Corporation (XLHUE), 36% ownership.

- Investments in other entities: International Investment and Water Technology Joint Stock Company (INWATEK), 19% ownership

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Unit: VND

3- Trade receivables

	Ending balance	Beginning balance
a) Short-term trade receivables	271.623.981.859	176.222.339.212
b) Long-term trade receivables	-	-
c) Related parties (Notes VI.1b)	31.784.614.047	99.947.248.724
Total	303.408.595.906	276.169.587.936

4- Other receivables

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
a) Short-term				
- Advances	2.780.750.798	-	14.274.236.564	-
- Other receivables from employees	299.213.825	-	314.782.187	-
- Short-term deposits	216.621.709	-	421.012.146	-
- Interest income receivable	7.667.758.333	-	759.958.333	-
- Distributed profit receivables	16.788.489.023	-	10.025.286.919	-
- Others.	677.467.132	-	2.907.123.461	-
Total	28.430.300.820	-	28.702.399.610	-
b) Long-term				
- Long-term deposits	1.334.501.840	-	934.601.840	-
Total	1.334.501.840	-	934.601.840	-
Total	29.764.802.660	-	29.637.001.450	-

5- Inventories

	Ending balance		Beginning balance	
	Value	Provision	Value	Provision
- Goods in transit	754.480.577	-	6.070.225.303	-
- Raw materials	3.221.369.755	(609.855.740)	4.630.708.803	(294.567.032)
- Work in process	93.412.122.632	-	104.571.235.138	-
- Finished goods	11.803.723	-	18.799.440	-
Total	97.399.776.687	(609.855.740)	115.290.968.684	(294.567.032)

6- Construction in progress

	Ending balance	Beginning balance
- Constructions	140.231.488	140.231.488
Total	140.231.488	140.231.488

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Unit: VND

7- Increase, decrease in Tangible assets:

	Buildings and Structures	Machinery and equipment	Motor vehicles	Office equipment	Other assets	Total
Cost						
As at 01 January 2015	13.369.063.305	4.315.932.727	10.447.872.258	2.297.645.668	1.265.587.405	31.696.101.363
- New purchase	-	34.500.000	1.085.492.727	138.050.000	36.636.454	1.294.679.181
- Disposal	(287.136.839)	-	-	-	-	(287.136.839)
As at 31 December 2015	13.081.926.466	4.350.432.727	11.533.364.985	2.435.695.668	1.302.223.859	32.703.643.705
Accumulated depreciation						
As at 01 January 2015	8.579.257.994	3.773.279.156	5.581.738.775	1.817.986.117	1.118.037.585	20.870.299.627
- Depreciation for the year	500.917.548	197.633.741	1.000.836.077	239.627.448	78.863.303	2.017.878.117
- Disposal	(140.377.997)	-	-	-	-	(140.377.997)
As at 31 December 2015	8.939.797.545	3.970.912.897	6.582.574.852	2.057.613.565	1.196.900.888	22.747.799.747
Net book value						
As at 01 January 2015	4.789.805.311	542.653.571	4.866.133.483	479.659.551	147.549.820	10.825.801.736
As at 31 December 2015	4.142.128.921	379.519.830	4.950.790.133	378.082.103	105.322.971	9.955.843.958

8- Increase, decrease in Intangible assets:

	Licenses	Premium right	Land use right	Computer software	Others assets	Total
Cost						
As at 01 January 2015	-	-	4.161.384.720	609.009.000	111.387.753	4.881.781.473
- New purchase	-	-	-	214.560.000	-	214.560.000
- Disposal	-	-	(4.161.384.720)	-	-	(4.161.384.720)
As at 31 December 2015	-	-	-	823.569.000	111.387.753	934.956.753
Accumulated amortisation						
As at 01 January 2015	-	-	-	505.467.333	100.249.024	605.716.357
- Charge for the year	-	-	-	35.499.996	5.569.392	41.069.388
As at 31 December 2015	-	-	-	540.967.329	105.818.416	646.785.745
Net book value						
As at 01 January 2015	-	-	4.161.384.720	103.541.667	11.138.729	4.276.065.116
As at 31 December 2015	-	-	-	282.601.671	5.569.337	288.171.008

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

9- Prepaid expenses	<i>Unit: VND</i>	
	Ending balance	Beginning balance
a) Short-term	1.025.229.088	478.694.287
- Tools	172.928.658	299.606.966
- Others	852.300.430	179.087.321
b) Long-term	2.021.732.618	2.394.307.055
- Tools	856.822.093	530.826.855
- Others	1.164.910.525	1.863.480.200
Total	3.046.961.706	2.873.001.342

10- Other assets	Ending balance	Beginning balance
Total	-	-

11- Loans	Ending balance		Beginning balance	
	Value	Payable amount	Value	Payable amount
a) Short-term loans	288.518.870.631	288.518.870.631	179.031.737.634	179.031.737.634
- Vietinbank	168.747.756.024	168.747.756.024	126.356.179.807	126.356.179.807
- Vietcombank	95.247.552.216	95.247.552.216	40.096.372.390	40.096.372.390
- BIDV	-	-	1.974.546.840	1.974.546.840
- HSBC Vietnam	-	-	10.604.638.597	10.604.638.597
- VIB	17.094.344.116	17.094.344.116	-	-
- Citibank VN	7.429.218.275	7.429.218.275	-	-
b) Long-term loans	-	-	-	-
Total	288.518.870.631	288.518.870.631	179.031.737.634	179.031.737.634

12- Trade payables	Ending balance		Beginning balance	
	Value	Payable amount	Value	Payable amount
a) Short-term payables	92.964.321.588	92.964.321.588	53.003.870.500	53.003.870.500
b) Long-term payables	-	-	-	-
Total	92.964.321.588	92.964.321.588	53.003.870.500	53.003.870.500

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Unit: VND

13- Taxes and other payables to the State

	Beginning balance	Payables	Paid	Ending balance
a) Payables				
- Domestic VAT	14.896.187.412	37.747.093.531	39.525.638.724	13.117.642.219
- Import VAT	-	5.874.796.953	5.874.796.953	-
- Special consumption tax	-	536.417.334	536.417.334	-
- Import, export tax	-	1.080.267.158	1.080.267.158	-
- Corporate income tax	2.178.139.058	13.350.594.032	7.627.333.513	7.901.399.577
- Other taxes	653.056.208	9.069.002.282	8.663.217.225	1.058.841.265
+ <i>Personal income tax</i>	653.056.208	9.046.578.282	8.640.793.225	1.058.841.265
+ <i>Regular income tax</i>	653.056.208	8.540.079.243	8.134.294.186	1.058.841.265
+ <i>Irregular income tax</i>	-	506.499.039	506.499.039	-
+ <i>Contractors tax</i>	-	17.424.000	17.424.000	-
+ <i>Contractors VAT</i>	-	8.712.000	8.712.000	-
+ <i>Contractors CIT</i>	-	8.712.000	8.712.000	-
+ <i>License tax</i>	-	5.000.000	5.000.000	-
Total	17.727.382.678	69.020.515.090	64.670.014.707	22.077.883.061
b) Receivables				
- Import, export tax	47.548.430	(47.548.430)	-	-
- Corporate income tax	216.596.293	(216.596.293)	-	-
Total	264.144.723	(264.144.723)	-	-

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

	<i>Unit: VND</i>	
	Ending balance	Beginning balance
14- Accrued expenses		
a) Short-term		
- Accrued expenses for projects	29.450.021.458	45.389.510.896
- Others	2.795.308.195	1.217.448.891
Total	32.245.329.653	46.606.959.787
b) Long-term	-	-
15- Other payables	Ending balance	Beginning balance
a) Short-term		
- Asset surplus awaiting resolution	-	21.635.420
- Social and health insurance and trade union fee	533.571.486	537.289.596
- Dividends payable	588.835.126	541.387.700
- Others	4.158.501.939	1.591.130.325
Total	5.280.908.551	2.691.443.041
b) Long-term		
- Deposit	142.000.000	142.000.000
Total	142.000.000	142.000.000
16- Unearned revenue	Ending balance	Beginning balance
a) Short-term		
- Unearned revenue	-	-
Total	-	-
b) Long-term		
17- Provision	Ending balance	Beginning balance
a) Short-term		
- Warranty for completed projects	2.913.522.321	9.456.527.228
Total	2.913.522.321	9.456.527.228
b) Long-term		
- Others (severance allowance,...)	6.405.528.750	5.430.188.750
Total	6.405.528.750	5.430.188.750
18- Deferred tax assets	Ending balance	Beginning balance
- Deferred tax assets related to temporary deductible differences	1.857.051.977	1.429.559.484
Total	1.857.051.977	1.429.559.484

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Unit: VND

19- Owner's Equity

Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
For the period ended 31 December 2014						
Beginning balance	162.542.920.000	123.423.405.031	(268.085.059)	35.512.762.788	35.793.141.873	357.004.144.633
- Capital increase	81.206.240.000	(81.206.240.000)	-	-	-	-
- Net profit for the year	-	-	-	-	40.075.653.612	40.075.653.612
- Profit appropriation	-	-	-	3.720.071.393	(12.417.549.040)	(8.697.477.647)
- Capital decrease	-	-	-	-	-	-
- Dividends declared	-	-	-	-	(32.482.503.000)	(32.482.503.000)
- Re-purchase shares to treasury	-	-	(15.934.000)	-	-	(15.934.000)
Ending balance	243.749.160.000	42.217.165.031	(284.019.059)	39.232.834.181	30.968.743.445	355.883.883.598
For the period ended 31 December 2015						
Beginning balance	243.749.160.000	42.217.165.031	(284.019.059)	39.232.834.181	30.968.743.445	355.883.883.598
- Capital increase	-	-	-	-	-	-
- Net profit for the year	-	-	-	-	52.455.097.539	52.455.097.539
- Profit appropriation	-	-	-	2.871.189.209	(9.684.050.323)	(6.812.861.114)
- Capital decrease	-	-	-	-	-	-
- Dividends declared	-	-	-	-	(29.234.251.200)	(29.234.251.200)
- Re-purchase shares to treasury	-	-	-	-	-	-
Ending balance	243.749.160.000	42.217.165.031	(284.019.059)	42.104.023.390	44.505.539.461	372.291.868.823

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Unit: VND

V. Notes to separate income statement

1- Revenues from sale of goods and rendering of services	This period	Previous period	Current year	Previous year
- Revenue from sale of goods	239.560.000	786.020.189	821.332.748	1.201.940.414
- Revenue from construction contracts	332.554.422.317	282.727.512.692	825.510.775.705	586.919.310.231
- Revenue from rental service	531.000.000	706.600.000	2.488.800.000	2.320.600.000
Total	333.324.982.317	284.220.132.881	828.820.908.453	590.441.850.645
In which: Revenue from related parties (notes VI.1a)	5.413.502.503	68.492.365.538	28.148.846.339	120.939.891.328
2- Less	This period	Previous period	Current year	Previous year
Revenue adjustments for construction contracts	10.080.759	932.258.539	506.107.674	2.270.108.548
Total	10.080.759	932.258.539	506.107.674	2.270.108.548
3- Cost of goods sold and services rendered	This period	Previous period	Current year	Previous year
- Cost of goods sold	821.402.388	1.577.741.624	1.403.175.136	2.132.475.244
- Cost of construction contracts	284.685.749.019	245.072.267.771	717.065.204.744	503.728.445.593
- Others	2.546.263.800	103.975.000	2.818.423.800	426.726.991
- Provision for diminution in value of inventories	315.288.708	(215.689.859)	315.288.708	(215.789.546)
Total	288.368.703.915	246.538.294.536	721.602.092.388	506.071.858.282
4- Finance income	This period	Previous period	Current year	Previous year
- Interest income	3.629.006.145	3.619.188.341	12.159.636.682	15.595.449.559
- Gain from sale of investments	490.653.025	539.953.193	1.219.774.784	625.577.892
- Dividends earned	42.000.000	2.541.973.800	2.632.951.499	7.095.549.800
- Profit distributed	3.006.974.685	10.095.286.919	6.700.702.104	13.512.852.555
- Realised foreign exchange gains	15.314.617	12.440.474	216.477.185	30.961.919
Total	7.183.948.472	16.808.842.727	22.929.542.254	36.860.391.725
5- Finance expense	This period	Previous period	Current year	Previous year
- Loan interest	2.900.450.016	1.950.521.239	10.158.763.820	6.007.008.373
- Loss on sale of investments	981.649.595	2.249.265.363	1.687.151.771	2.326.257.165
- Provision for diminution in value of investments	(892.261.271)	(1.047.996.714)	(1.133.896.722)	(605.822.389)
- Realised foreign exchange losses	13.616.052	244.025.013	275.877.138	343.316.846
- Other financial expenses	113.577	-	1.909.891	-
Total	3.003.567.969	3.395.814.901	10.989.805.898	8.070.759.995

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Unit: VND

V. Notes to separate income statement (continued)

6- Other income	This period	Previous period	Current year	Previous year
- Disposals of fixed assets	25.007.335.669	-	25.007.335.669	-
- Others	74.506.665	553.107.856	1.409.097.148	763.418.941
Total	25.081.842.334	553.107.856	26.416.432.817	763.418.941

7- Other expense	This period	Previous period	Current year	Previous year
- Fixed assets net value and disposal expenses	5.587.392.700	-	5.587.392.700	-
- Penalties	10.519.497	(8.917.395)	63.904.254	-
- Others.	66.765.362	564.417.995	1.223.052.036	798.068.618
Total	5.664.677.559	555.500.600	6.874.348.990	798.068.618

8- General and administrative expenses	This period	Previous period	Current year	Previous year
- Staff costs	29.388.207.165	16.267.459.199	55.149.038.678	43.532.200.781
- Raw material costs	258.019.251	469.734.935	824.384.362	1.665.185.563
- Depreciation and amortisation	439.499.253	366.868.852	1.730.236.777	1.369.340.207
- Fees	272.276.820	51.705.037	959.552.942	138.946.913
- (Reversal) / Provision	10.211.154	6.583.821.700	32.158.751	1.963.110.113
- Expenses for external expenses	2.909.786.189	3.272.445.998	11.065.873.791	9.518.989.194
- Others	(1.559.484.176)	3.042.362.889	2.838.487.902	5.960.426.520
Total	31.718.515.656	30.054.398.610	72.599.733.203	64.148.199.291

9- Current CIT	This period	Previous period	Current year	Previous year
- Current CIT expense	7.899.457.867	2.178.139.058	13.567.190.325	6.283.413.829
Total	7.899.457.867	2.178.139.058	13.567.190.325	6.283.413.829

10- Deferred CIT	This period	Previous period	Current year	Previous year
- Deferred CIT on deductible temporary differences	(264.135.141)	(235.208.362)	(427.492.493)	347.599.136
Total	(264.135.141)	(235.208.362)	(427.492.493)	347.599.136

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2015

Unit: VND

VI. Other informations

1- Transactions with related parties

a) Transactions

Related parties	Relationship	Transaction	Transaction amount	
			Current year	Previous year
Asia Refrigeration Industry Company Limited	Subsidiary	Distributed profit	6.700.702.104	13.512.852.555
Sao Phuong Nam Corporation	Major shareholder	Office rental	4.201.776.970	3.298.459.468
International Diplomat Corporation	Related party	Revenue from construction contracts	26.184.320.407	108.666.205.078
Sao Phuong Nam Investment Corporation	Related party	Revenue from construction contracts	1.964.525.932	12.273.686.250
Total			39.051.325.413	137.751.203.351

b) Remuneration to members of the Board of Directors and Board of Supervision, salaries and benefits of the Boards of Directors and key management are as follows

	Period		Year	
	This period	Previous period	Current year	Previous year
Allowance for the Boards of Directors and Board of Supervision	219.000.000	204.000.000	846.000.000	851.000.000
Salaries and benefits of the Boards of Directors and key management	1.606.825.000	1.486.778.834	9.248.262.633	8.140.424.364
Total	1.825.825.000	1.690.778.834	10.094.262.633	8.991.424.364

c) Amounts due to related parties at the balance sheet date were as follows

Related parties	Relationship	Transaction	Balance	
			Ending	Beginning
Trade receivables (notes IV.3)			31.784.614.047	99.947.248.724
Asia Refrigeration Industry Company Limited	Subsidiary	Payment on behalf	1.901.977.449	844.196.007
Sao Phuong Nam Corporation	Related party		2.160.978.525	13.501.054.875
International Diplomat Corporation	Related party		27.721.658.073	85.601.997.842
Other receivables (notes IV.4a)			16.788.489.023	10.025.286.919
Asia Refrigeration Industry Company Limited	Subsidiary	Distributed profit	16.788.489.023	10.025.286.919

2- Segment reporting

Segment information is presented in respect of business activity or geography. The Group is not operating in more than one segment of business activity nor geographic area other than mainly operating in the only activity is to consult, supply and provide installation services in relation to industrial refrigeration projects, and in Vietnam only. Therefore, the Group does not present segmental information.

3- Adjustment according to Circular no.200

Some accounts in Consolidated Balance Sheet as at 31 December 2014 were re-categorized in accordance with this year interim consolidated financial statements, due to Circular no.200 application. In details:

Accounts	This period	Previous year (Audited)
Bank deposit from over 3 months to under 1 year	Held-to-maturity investment (Code 123)	Short-term investment (Code 121)
Provision for diminution in value of held-for-trading securities	Provision for diminution in value of held-for-trading securities (Code 122)	Provision for diminution in value of short-term investment (Code 129)
Construction in progress	Construction in progress (Code 242)	Construction in progress (Code 230)
Short-term advance, deposit	Other receivables (Code 136)	Other short-term assets (Code 158)
Long-term deposit	Other long-term receivable (Code 216)	Other long-term assets (Code 268)
Short-term unearned revenue	Prepaid from customers (Code 312)	Unearned revenue (Code 338)
Financial reserve funds	Investment and development funds (Code 418)	Financial reserve funds (Code 418)

PREPARER



Tran Thanh Lam

CHIEF ACCOUNTANT



Mai Thi Kim Dung

GENERAL DIRECTOR

Hồ Chí Minh City, 27 January 2016



Le Tan Phuoc