

KinhBac City Development Holding Corporation

Interim consolidated financial statements

30 June 2015

KinhBac City Development Holding Corporation

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Report on review of interim consolidated financial statements	4
Interim consolidated balance sheet	5 - 8
Interim consolidated income statement	9
Interim consolidated cash flow statement	10 - 11
Notes to the interim consolidated financial statements	12 - 61

KinhBac City Development Holding Corporation

GENERAL INFORMATION

THE COMPANY

KinhBac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam in pursuant to the Business Registration Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002 and the subsequent amendments, with the latest is the 15th amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh province on 30 January 2015.

The Company has the following subsidiaries:

- ▶ Saigon - Bacgiang Industrial Park Corporation;
- ▶ Saigon - Hai Phong Industrial Park Corporation;
- ▶ Northwest Saigon City Development Corporation; and
- ▶ Trang Cat One Member Urban Development Company Limited.

The current principal activities of the Company are to invest, construct and trade residential areas, re-settlement areas, workman's residential areas, industrial parks; leasing out or selling the factories and houses constructed by the Company in the industrial parks, residential areas, financial investment; and others activities in accordance with the Business Licence.

The Company's registered office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its branch is located at:

No	Name of branch	Address
1.	Branch of KinhBac City Development Holding Corporation at Ho Chi Minh city	20 Phung Khac Khoan, Da Kao ward, district 1, Ho Chi Minh city.

The Company's shares are listed in Ho Chi Minh Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by Ho Chi Minh Stock Exchange on 7 December 2009.

BOARD OF DIRECTORS

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

Mr. Dang Thanh Tam	Chairman
Ms. Nguyen Thi Thu Huong	Member
Mr. Ngo Manh Hung	Member
Mr. Huynh Phat	Member
Mr. Pham Phuc Hieu	Member

BOARD OF SUPERVISION

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

Ms. Nguyen Chung Thuy	Head of Board of Supervision
Ms. Le Thi Thu Hang	Member
Mr. Phan Anh Tuan	Member

KinhBac City Development Holding Corporation

GENERAL INFORMATION (continued)

MANAGEMENT

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

Ms. Nguyen Thi Thu Huong	General Director	
Mr. Phan Anh Dung	Deputy General Director	
Mr. Pham Phuc Hieu	Deputy General Director	
	Chief Accountant	
Ms. Nguyen My Ngoc	Deputy General Director	Appointed on 2 February 2015

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Dang Thanh Tam. In accordance with the authorization letter No. 2311/2012/KBC/UQ dated 23 November 2012, Ms. Nguyen Thi Thu Huong has been authorized by Mr. Dang Thanh Tam to sign the accompanying interim consolidated financial statements for the six-month period ended 30 June 2015.

AUDITORS

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

KinhBac City Development Holding Corporation

REPORT OF MANAGEMENT

Management of KinhBac City Development Holding Corporation ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the six-month period ended 30 June 2015.

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2015 and of its interim consolidated results of operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and comply with relevant statutory requirements.

For and on behalf of management:



Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

28 August 2015

Reference: 60774739/17684158-HN/LR

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders of KinhBac City Development Holding Corporation

We have reviewed the interim consolidated financial statements of KinhBac City Development Holding Corporation ("the Company") and its subsidiaries (collectively referred to as the "Group") as set out on page 5 to 61, which comprise the interim consolidated balance sheet as at 30 June 2015, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

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

We conducted our review in accordance with Vietnamese Standard on Auditing 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2015, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with the Vietnamese Accounting Standards and Vietnamese Enterprise Accounting System and comply with the relevant statutory requirements.



Bui Anh Tuan
Deputy General Director
Audit Practising Registration
Certificate No.1067-2013-004-1



Nguyen Quang Trung
Auditor
Audit Practising Registration
Certificate No.1938-2013-004-1

Hanoi, Vietnam

28 August 2015

11-10-2015 H. N. A. 2/1/11

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2015

Currency: VND

Code	ASSETS	Notes	30 June 2015	31 December 2014 (Restated)
100	A. CURRENT ASSETS		11,470,400,683,927	10,630,738,839,560
110	I. Cash and cash equivalents	4	135,061,467,907	149,105,090,802
111	1. Cash		32,146,452,639	93,733,757,469
112	2. Cash equivalents		102,915,015,268	55,371,333,333
120	II. Short-term investments	5	17,355,150,500	2,497,416,000
121	1. Held-for-trading securities		7,490,461,369	7,490,461,369
122	2. Provision for held-for-trading securities		(5,461,310,869)	(4,993,045,369)
123	3. Held-to-maturity investments		15,326,000,000	-
130	III. Current accounts receivable		3,211,753,102,351	2,848,273,048,478
131	1. Short-term trade receivables	6.1	828,850,224,307	663,149,321,859
132	2. Short-term advances to suppliers	6.2	1,380,724,720,045	1,334,536,831,350
135	3. Short-term loan receivables	7	62,699,720,000	62,790,991,000
136	4. Other short-term receivables	8	948,366,924,216	807,145,796,736
137	5. Provision for doubtful debts	6.3	(8,888,486,217)	(19,349,892,467)
140	IV. Inventories	9	8,097,483,899,583	7,616,350,104,559
141	1. Inventories		8,097,483,899,583	7,616,350,104,559
150	V. Other current assets		8,747,063,586	14,513,179,721
151	1. Short-term prepaid expenses		1,471,293,333	2,588,293,334
152	2. Value-added tax deductible		5,445,945,423	3,269,129,928
153	3. Tax and other receivables from the State	16	1,829,824,830	8,655,756,459

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2015

Currency: VND

Code	ASSETS	Notes	30 June 2015	31 December 2014 (Restated)
200	B. NON-CURRENT ASSETS		2,203,127,411,748	2,399,085,782,857
210	I. Long-term receivables		442,304,440,694	480,405,988,391
211	1. Long-term trade receivables	6.1	383,474,744,694	465,365,588,391
215	2. Long-term loan receivables	7	14,685,400,000	14,685,400,000
216	3. Other long-term receivables	8	44,144,296,000	355,000,000
220	II. Fixed assets		143,826,716,790	138,923,585,647
221	1. Tangible fixed assets	10	143,826,716,790	138,923,585,647
222	Cost		258,581,393,567	241,743,465,160
223	Accumulated depreciation		(114,754,676,777)	(102,819,879,513)
227	2. Intangible fixed assets		-	-
228	Cost		72,075,500	72,075,500
229	Accumulated amortisation		(72,075,500)	(72,075,500)
230	III. Investment properties	11	10,471,919,000	22,182,071,105
231	1. Cost		13,902,530,613	27,405,394,467
232	2. Accumulated amortization		(3,430,611,613)	(5,223,323,362)
240	IV. Long-term assets in progress		234,754,732,102	236,668,373,001
242	1. Work in progress	12	234,754,732,102	236,668,373,001
250	V. Long-term investments	14	1,365,872,041,027	1,517,791,599,580
252	1. Investments in associates, jointly controlled entities	14.1	454,664,224,996	445,993,554,433
253	2. Investment in other entities	14.2	970,219,700,000	1,141,492,700,000
254	3. Provision for long-term investments		(59,011,883,969)	(69,694,654,853)
260	VI. Other long-term assets		5,897,562,135	3,114,165,133
261	1. Long-term prepaid expenses		5,897,562,135	3,114,165,133
270	TOTAL ASSETS		13,673,528,095,675	13,029,824,622,417

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2015

Currency: VND

Code	RESOURCES	Notes	30 June 2015	31 December 2014 (Restated)
300	C. LIABILITIES		5,988,575,825,098	6,773,343,089,931
310	I. Current liabilities		2,816,344,255,479	2,711,670,954,454
311	1. Short-term trade payables	15.1	183,388,062,351	55,676,320,830
312	2. Short-term advances from customers	15.2	369,361,429,906	408,858,439,492
313	3. Statutory obligations	16	252,361,464,583	167,497,455,109
314	4. Payables to employees		1,190,195,371	1,606,801,500
315	5. Short-term accrued expenses	17	923,957,641,112	849,853,145,132
318	6. Short-term unearned revenue		191,852,934	-
319	7. Other short-term payables	18	53,737,470,488	204,222,732,462
320	8. Short-term loan	19	1,025,101,059,425	1,016,821,780,620
322	9. Bonus and welfare fund		7,055,079,309	7,134,279,309
330	II. Non-current liabilities		3,172,231,569,619	4,061,672,135,477
333	1. Long-term accrued expenses	17	630,097,013,549	573,779,452,057
336	2. Long-term unearned revenue		5,366,047,293	5,616,285,654
337	3. Other long-term liabilities	18	61,725,734,515	62,070,305,020
338	4. Long-term loans	19	2,111,144,607,562	2,149,611,923,045
339	5. Convertible bonds	20	-	886,050,000,000
341	6. Deferred tax liabilities	28.3	362,946,198,738	383,592,201,739
342	7. Other long-term provisions		951,967,962	951,967,962

INTERIM CONSOLIDATED BALANCE SHEET (continued)
as at 30 June 2015

Currency: VND

Code	RESOURCES	Notes	30 June 2015	31 December 2014 (Restated)
400	D. OWNERS' EQUITY		7,684,952,270,577	6,256,481,532,486
410	i. Capital		7,684,952,270,577	6,256,481,532,486
411	1. Share capital	21.1	4,757,111,670,000	3,957,111,670,000
411a	- Shares with voting rights		4,757,111,670,000	3,957,111,670,000
412	2. Share premium	21.1	989,064,430,000	611,603,430,000
415	3. Treasury shares	21.1	(364,466,650,000)	(364,466,650,000)
418	4. Investment and development fund	21.1	2,223,693,823	2,223,693,823
420	5. Undistributed earnings	21.1	1,422,336,109,333	1,169,625,513,861
421a	- Undistributed earnings up to the end of prior period		1,169,625,513,861	844,008,284,354
421b	- Undistributed earnings of current period		252,710,595,472	325,617,229,507
429	6. Non-controlling interests	22	878,683,017,421	880,383,874,802
440	TOTAL LIABILITIES AND OWNERS' EQUITY		13,673,528,095,675	13,029,824,622,417


Vu Thanh Diu
Preparer

Pham Phuc Hieu
Chief Accountant

 Nguyen Thi Thu Huong
General Director


Bac Ninh, Vietnam


28 August 2015

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2015

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2015	For the six-month period ended 30 June 2014
01	1. Revenue from sale of goods and rendering of services	23.1	646,914,470,560	220,485,642,208
02	2. Deductions	23.1	-	-
10	3. Net revenue from sale of goods and rendering of services	23.1	646,914,470,560	220,485,642,208
11	4. Cost of goods sold and services rendered	24	385,801,659,990	112,870,168,250
20	5. Gross profit from sale of goods and rendering of services		261,112,810,570	107,615,473,958
21	6. Finance income	23.2	126,833,625,306	133,202,577,302
22	7. Finance expenses	25	29,336,831,789	162,821,181,416
23	- In which: Interest expenses		48,999,938,968	160,305,654,976
24	8. Shares of profit/(loss) of associates	14.1	1,466,070,562	(9,716,736,350)
25	9. Selling expenses	26	27,718,905,719	5,562,986,597
26	10. General and administrative expenses	26	49,726,482,369	36,931,717,187
30	11. Operating profit		282,630,286,561	25,785,429,710
31	12. Other income		677,775,898	148,667,826
32	13. Other expenses		171,360,999	81,337,838
40	14. Other profit		506,414,899	67,329,988
50	15. Profit before tax		283,136,701,460	25,852,759,698
51	16. Current corporate income tax expenses	28.1	52,772,966,370	5,792,089,039
52	17. Deferred income tax income	28.3	20,646,003,001	5,785,616,999
60	18. Net profit after tax		251,009,738,091	25,846,287,658
61	19. Net profit after tax attributable to shareholders of the parent	21.1	252,710,595,472	41,882,915,893
62	20. Loss after tax attributable to non-controlling interests	22	(1,700,857,381)	(16,036,628,235)
70	21. Basic earnings per share	30	549	127
71	22. Diluted earnings per share	30	549	127


Vu Thanh Dieu
Preparer


Pham Phuc Hieu
Chief Accountant


Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

28 August 2015

INTERIM CONSOLIDATED CASH FLOW STATEMENT
for the six-month period ended 30 June 2015

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2015	For the six-month period ended 30 June 2014 (Restated)
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax		283,136,701,460	25,852,759,698
	Adjustments for:			
02	Depreciation and amortisation	10,11	13,041,264,694	15,860,363,145
03	Provision		(20,675,911,634)	(539,145,076)
04	Unrealised foreign exchange losses/(gain)		49,675,498	(178,976,824)
05	Profit from investing activities		(107,020,639,065)	(124,414,341,401)
06	Interest expenses	25	48,999,938,968	160,305,654,976
08	Operating profit before changes in working capital		217,531,029,921	76,886,314,518
09	(Increase)/decrease in receivables		(61,538,779,619)	149,232,554,158
10	(Increase)/decrease in inventories		(481,133,795,025)	33,571,557,511
11	Increase in payables (other than interest, corporate income tax)		132,228,511,616	100,899,959,206
12	(Increase)/decrease in prepaid expenses		(1,666,397,001)	8,832,368,306
14	Interest paid		(75,796,407,187)	(144,289,102,256)
15	Corporate income tax paid	28.2	(2,587,223,946)	(3,239,921,072)
17	Other cash outflows from operating activities		(79,200,000)	-
20	Net cash flows (used in)/from operating activities		(273,042,261,241)	221,893,730,371
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase, construction of fixed assets and other long-term assets		(23,141,785,811)	(21,114,419,635)
23	Loans to other entities and payments for purchase of debt instruments of other entities		(15,326,000,000)	-
26	Collections from borrowers and proceeds from sale of debt instruments of other entities		26,273,000,000	6,360,000,000
27	Interest and dividends received		5,354,568,502	3,317,493,943
30	Net cash flows used in investing activities		(6,840,217,309)	(11,436,925,692)

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
for the six-month period ended 30 June 2015

Currency: VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2015	For the six-month period ended 30 June 2014
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Capital contribution from non- controlling interest		-	250,000,000
33	Drawdown of borrowings		672,649,871,057	-
34	Repayment of borrowings		(406,811,015,402)	(206,093,971,279)
40	Net cash flows from/(used in) financing activities		265,838,855,655	(205,843,971,279)
50	Net (decrease)/increase in cash and cash equivalents		(14,043,622,895)	4,612,833,400
60	Cash and cash equivalents at the beginning of the period		149,105,090,802	103,092,930,135
61	Impact of exchange rate fluctuation		-	-
70	Cash and cash equivalents at the end of the period	4	135,061,467,907	107,705,763,535



Vu Thanh Diu
Preparer



Pham Phuc Hieu
Chief Accountant



Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

28 August 2015

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at and for the six-month period ended 30 June 2015

1. CORPORATE INFORMATION

KinhBac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam in pursuant to the Business Registration Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002 and the subsequent amendments, with the latest is the 15th amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh province on 30 January 2015.

The current principal activities of the Company are to invest, to construct and to trade residential areas, re-settlement areas, workman's residential areas, industrial parks; leasing out and selling the factories and houses constructed by the Company in the industrial parks, residential areas, financial investment; and others activities in accordance with Investment Certificate.

Business cycle of the Company starts from the time of investment licenses, implementing site clearance, infrastructure construction of industrial zones and urban areas until the time of completion and is handed over to the customer, thus, the business cycle of the Company may extend over 12 months.

The Company's registered office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its branch is located at:

No	Name of branch	Address
1.	Brand of KinhBac City Development Holding Corporation at Ho Chi Minh city	20 Phung Khac Khoan, Da Kao ward, district 1, Ho Chi Minh city.

The Company's shares were listed on Ho Chi Minh Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by Ho Chi Minh Stock Exchange on 7 December 2009.

The total number of employees as at 30 June 2015 is 411 (31 December 2014 is 398).

Corporate structure

At 30 June 2015, the Company has the following subsidiaries:

No	Company's name	Voting right (%)	Interest right (%)	Head office	Main activities
1	Saigon - Bacgiang Industrial Park JSC	59.5	59.5	Quang Chau Industrial Park, Quang Chau commune, Viet Yen district, Bac Giang province	Investment, building and trading real estates
2	Saigon - Hai Phong Industrial Park JSC	86.54	86.54	Trang Due Industrial Park, Le Loi commune, An Duong district, Hai Phong city	Investment, building and trading real estates
3	Northwest Saigon City Development JSC	60.52	60.52	Tram Bom, National Road No. 22, Tan Phu Trung, Cu Chi, Ho Chi Minh City	Investment, building and trading real estates
4	Trang Cat One Member Urban Development Company Limited	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, in Dinh Vu - Cat Hai Economical Zone, Hai Phong.	Investment, building and trading real estates

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

2. BASIS OF PREPARATION

2.1 Accounting standards and system

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

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

Accordingly, the accompanying interim consolidated balance sheet, interim consolidated income statement, interim 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 financial position and results of operations and 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 General Journal system.

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the Company (the parent company) and its subsidiaries for the six-month period ended 30 June 2015.

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation (continued)

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

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in retained earning

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Group in preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014 and the interim consolidated financial statements for the six-month period ended 30 June 2014 except for the changes in the accounting policies in relation to the following.

3.1.1 Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QĐ-BTC dated 20 March 2006 ("Decision 15") and Circular No. 244/2009 / TT-BTC dated 31 December 2009 of the Ministry of Finance ("Circular 244"). Circular 200 is effective for the financial year beginning on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Group are applied on a prospective basis as Circular 200 does not require for retrospective application. The Group also reclassifies certain corresponding figures of prior period following the presentation of the current period's interim consolidated financial statements in accordance with Circular 200 as disclosed in Note 52.

3.1.2 Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements

On 22 December 2014, the Ministry of Finance issued the Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 202 are applied on a prospective as this Circular does not require for retrospective application.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Inventories*

Industrial and urban real estate properties which have been developed for sale in the normal course of operations of the Group, not held for lease or capital appreciation, are recorded as inventory at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

The cost of real estate properties for sale comprises of land compensation, site restoration, construction of road and drainage system, factories and other infrastructure costs, construction costs, capitalized borrowing cost, consultancy cost, design cost, ... and other related costs.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

Provision for obsolete inventories

An inventories provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recorded into the cost of goods sold account in the interim consolidated income statement.

The increase/decrease in provision for obsolete inventory is recorded as cost of goods sold in the period.

3.4 *Receivables*

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

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

3.5 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim consolidated income statement as incurred.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim consolidated income statement as incurred.

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

3.7 *Depreciation and amortisation*

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

Buildings and structures (land and infrastructure development cost)	8 – 25 year
Machinery and equipment	4 – 8 year
Means of transportation	6 – 10 year
Office equipment	3 – 5 year

3.8 *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 and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Factories	8 years
Land and infrastructure development cost	45 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the interim consolidated income statement 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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Borrowing costs

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

Borrowing costs are recorded as expense during the period 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 period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

3.10 Prepaid expenses

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

The followings are recorded in long-term prepaid expenses, which are amortized from 3 to 5 years on the interim consolidated income statement:

- ▶ Prepaid lease expenses are amortised to prepaid lease term; and
- ▶ Other long-term prepaid expenses are amortised over 1 to 3 years.

3.11 Business combinations and goodwill

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

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the interim consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis.

3.12 Investments

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.

Under the equity method, the investment is carried in the interim 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. The goodwill is not amortized but annually assessed on the impairment value. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Investments* (continued)

Investment in associates (continued)

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

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

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Provision for investments

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the interim consolidated financial statements and deducted against the value of such investments.

3.13 *Payable and accrual*

Payable and accrual are recognised for amount 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 period for all employees who have been more than 12 months in service up to balance sheet date 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 period 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 interim consolidated 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the banks designated for capital contribution.
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the interim consolidated balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Group conduct transactions regularly;
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conduct transactions regularly.

All realised and unrealised foreign exchange differences are taken to the interim consolidated income statement.

3.16 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Group's own equity instruments.

3.17 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to investors after approval by the Board of Management, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese 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:

Investment and development fund

This fund is set aside for use in the Group's expansion of its operation or of 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 interim consolidated balance sheet

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

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:

Long-term lease of land and infrastructure

Revenue is recognised when the Group has passed the significant risks and rewards associated with the land to the buyer and revenue can be reliably measured.

Sale of factories

Revenue is recognised when the Company has passed significant risks and rewards associated with the factories to the buyer and revenue can be reliably measured.

Lease of factories

Revenue under operating lease contract is recognised to income statement on a straight-line basis over the lease term.

Rendering of services

Revenue is recognised when service has been provided to the customer, and is determined by the net value after deducting discounts, value-added tax, and other deductions.

Income from transfer of investment in securities and capital assignment

Income is determined by the difference between the selling price and cost of the securities. Income is recorded on the contract date, which is when the contract becomes effective.

Interest

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

Dividends

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

3.19 Cost of leased land and infrastructure

Cost of leased land and infrastructure includes all direct costs that are attributable to the development of land and infrastructure or costs allocated on a reasonable basis to such activities including:

- ▶ All costs incurred for land and land development activities;
- ▶ All costs incurred for construction and construction related activities;
- ▶ Mandatory and non-saleable costs associated to development activities that would be incurred on existing and future land and infrastructure of the project such as common infrastructure, mandatory land reserve for public facilities, etc.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 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 interim balance sheet date.

Current income tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the interim 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:

- ▶ 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 temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *Taxation* (continued)

Deferred tax (continued)

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

Deferred tax is charged or credited to the interim 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 set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.21 *Segment information*

A segment is a component which can be separately identified in which Company takes part in providing the sale of relevant goods or services (segment divided by business operation activities), or providing the sale of goods or services within a particular economic environment (segment divided by geographic regions), each of which is subject to risks and benefits and is different from other parts. Real estate trading activities in Vietnam territory is the major activity to generate the revenue and profit for the Group. Thus, the Group's management assesses that the Group operates in only one business segment which is real estate business segment and in one critical geographic region which is Vietnam.

3.22 *Convertible bonds*

Bonds that are convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability (a contractual arrangement to deliver cash or another financial asset) and equity instrument (a call option granting the holder the right, for a specified period of time) based on the terms of the contract.

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>30 June 2015</i>	<i>31 December 2014</i>
Cash on hand	2,243,209,586	7,736,091,541
Cash at banks	29,903,243,053	85,997,665,928
Cash equivalents (*)	102,915,015,268	55,371,333,333
TOTAL	135,061,467,907	149,105,090,802

(*) Cash equivalents at 30 June 2015 mainly include short-term deposits in Vietnam dong at bank with interest rates from 4% to 5.1% per annum and with term from 1 month to 3 months.

Additional information regarding the cash flow statement:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Significant non-cash transactions that will have impact on the cash flow statement in the future:		
Transfer from debt to equity	1,200,000,000,000	1,000,000,000,000
Actual cash received from loans		
- Cash received from normal loan agreements	372,649,871,057	-
- Cash received from issuance of convertible bonds	300,000,000,000	-
Actual cash payment of loans		
- Cash payment for normal loan agreements	106,811,015,402	206,093,971,277
- Cash payment for principal of bonds	300,000,000,000	-

5. SHORT-TERM INVESTMENTS

	<i>Currency: VND</i>	
	<i>30 June 2015</i>	<i>31 December 2014</i>
Held-for-trading securities (Note 5.1)	7,490,461,369	7,490,461,369
Held-to-maturity investments (Note 5.2)	15,326,000,000	-
TOTAL	22,816,461,369	7,490,461,369
Provision for diminution in short-term investments	(5,461,310,869)	(4,993,045,369)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

5. SHORT-TERM INVESTMENTS (continued)

5.1 Held-for-trading securities

Currency: VND

	30 June 2015			31 December 2014		
	Cost	Fair value	Provision	Cost	Fair value	Provision
Shares(*)	7,490,461,369	2,029,150,500	(5,461,310,869)	7,490,461,369	2,497,416,000	(4,993,045,369)
TOTAL	7,490,461,369	2,029,150,500	(5,461,310,869)	7,490,461,369	2,497,416,000	(4,993,045,369)

(*) At 30 June 2015, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company.

5.2 Held-to-maturity securities

Held-to-maturity securities at 30 June 2015 include deposits in VND at Nam A Bank, Tan Dinh branch with maturity of 4 months, earning interest at 5.3% per annum.

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Trade receivables

Currency: VND

	30 June 2015	31 December 2014 (Restated)
Short-term		
Trade receivables from customers		
- LG Electronics Viet Nam Hai Phong Limited Liability Company (iii)	419,325,404,450	304,291,678,680
- Kinh Bac Service JSC (i)	112,878,965,774	104,352,647,918
- Saigon Investment JSC (ii)	104,130,000,000	104,130,000,000
- Heasung Electronics Viet Nam Limited Company (iii)	46,519,200,000	-
- Kyowa Viet Nam Plastic Limited Company (iii)	19,393,920,000	-
- Hoang Nam Limited Company (iii)	7,973,422,458	9,178,487,658
- Receivables from other customers (iii)	118,629,311,625	141,196,507,603
Trade receivables from related parties	-	-
	828,850,224,307	663,149,321,859
Long-term		
Trade receivables from customers		
- Kinh Bac Service JSC (i)	383,474,744,694	461,757,137,391
- Tai Ky Food JSC	-	3,608,451,000
TOTAL	383,474,744,694	465,365,588,391

(i) This is the short-term and long-term receivables from Kinh Bac Service JSC on land and infrastructure leasing and sale of factories in Que Vo II Industrial Park, Trang Due Industrial Zone and Quang Chau Industrial Zone. These receivables are committed to be paid no later than 31 December 2017, bearing interest at 8% and 9% per annum;

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

6.1 Trade receivables (continued)

- (ii) This is the receivables from Sai Gon Investment JSC related to land transfer at the Phuc Ninh Urban Area Project; and
- (iii) Including receivables from other customers for long-term land lease in the industrial zones of the Group.

6.2. Advance to suppliers

Currency: VND

	<i>30 June 2015</i>	<i>31 December 2014</i>
Short-term		
Short-term advance to suppliers		
- Kinh Bac Investment and Consulting JSC (i)	1,113,431,824,381	1,130,088,304,645
- Kinh Bac Service JSC (ii)	117,096,000,000	117,302,270,000
- Land Clearance and Compensation Committee of Cu Chi District (iii)	21,046,133,945	24,353,697,733
- Foster and Partners Limited Company (iv)	25,961,600,000	25,961,600,000
- Trung Chinh Trading and Construction Limited Company (v)	55,137,345,400	-
- People's Council and People's Committee of An Duong District (iii)	11,302,688,835	13,302,688,835
- Advance to other suppliers	36,749,127,484	23,528,270,137
TOTAL	<u>1,380,724,720,045</u>	<u>1,334,536,831,350</u>

- (i) As at 30 June 2015, the Group, including Saigon – Bacgiang Industrial Park Corporation, Saigon – Hai Phong Industrial Park Corporation and Trang Cat Urban Development One-member Limited Company advanced to Kinh Bac Investment and Consulting JSC for the implementation of site clearance and compensation and constructing of certain on-going projects of the Group.
- (ii) This is the advance from Saigon – Bacgiang Industrial Park JSC, a subsidiary, to Kinh Bac Service JSC for the ground clearance and road construction – phase I of Quang Chau Project – Viet Yen – Bac Giang.
- (iii) This is the advance to Land Clearance and Compensation Committee of Cu Chi District for land clearance at Tan Phu Trung Project.
- (iv) As at 30 June 2015, the Company advanced to Foster and Partners Limited Company for the design cost of Hoa Sen Hotel Project.
- (v) This is the advance of Trang Cat Urban Development One-member Limited Company, a subsidiary, to Trung Chinh Trading and Construction Limited Company for the construction of tunnel at Trang Cat Project.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

6. RECEIVABLES (continued)

6.3 Provision for trade receivables

Detail of movements of provision for trade receivables as follows:

	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Beginning balance	19,349,892,467	16,996,721,233
Increase in the period	151,943,750	1,298,762,640
Reversal in the period	(10,613,350,000)	-
Ending balance	8,888,486,217	18,295,483,873
<i>In which:</i>		
<i>Provision for short-term receivables</i>	<i>8,388,486,217</i>	<i>7,700,483,873</i>
<i>Provision for loan receivables</i>	<i>500,000,000</i>	<i>-</i>
<i>Provision for other receivables</i>	<i>-</i>	<i>10,595,000,000</i>

7. OTHER LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>30 June 2015</i>	<i>31 December 2014</i>
Short-term		
Sai Gon Manufacturing and Trading JSC (*)	50,000,000,000	50,000,000,000
Sai Gon Tourism JSC (*)	500,000,000	500,000,000
Saigon – Tay Ninh Industrial Park JSC (*)	300,000,000	300,000,000
Other loan receivables	2,599,720,000	2,690,991,000
Other loan receivables from related parties (Note 29)	9,300,000,000	9,300,000,000
TOTAL	62,699,720,000	62,790,991,000
Long-term		
Kinh Bac Service JSC (**)	6,992,700,000	6,992,700,000
Kinh Bac Investment and Consulting JSC (**)	6,992,700,000	6,992,700,000
Construction Project Management Unit of Bac Ninh City (Bac Ninh City People 's Committee)	700,000,000	700,000,000
TOTAL	14,685,400,000	14,685,400,000

(*) Loans to these companies are the unsecured, interest free and have term of less than 1 year.

(**) Loans to these companies are unsecured, interest free and will be due in June 2017.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

8. OTHER RECEIVABLES

Currency: VND

	<u>30 June 2015</u>		<u>31 December 2014 (Restated)</u>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Short-term				
Sai Gon Investment JSC (i)	583,000,000,000	-	583,000,000,000	-
Share transfer receivables(ii)	245,200,000,000	-	-	-
Late payment interest receivable (iii)	37,120,220,257	-	16,385,571,712	-
Other receivables (Note 29)	28,916,158,517	-	33,481,584,605	-
Receivables from Bac Ninh's People Committee for price support for land lease (iv)	19,440,000,000	-	19,440,000,000	-
Deposit receivables (v)	12,851,128,404	-	12,851,128,404	-
Receivable from Van Duong's People Committee Kum-ba JSC (vi)	2,228,672,000	-	2,228,672,000	-
Ms. Trieu Thi Duyen	-	-	43,875,296,000	-
Advance to employees	14,097,377,546	-	68,800,000,000	-
Other receivables (vii)	5,513,367,492	-	12,813,369,445	-
	948,366,924,216	-	807,145,796,736	10,595,000,000
Long-term				
Kum-ba JSC (vi)	43,875,296,000	-	-	-
Other long-term receivables	269,000,000	-	355,000,000	-
	44,144,296,000	-	355,000,000	-

- (i) This is amount transfered to Saigon Investment JSC relating to the purchase of shares at Le Minh Xuan Industrial Zone. As at 30 June 2015, this transaction has not been completed.
- (ii) This is the receivable relating to the transfer of 16.7 million shares of Saigon-Binh Dinh Energy JSC to Kinh Bac Service JSC according to Contract dated 22 June 2015 (Note 14.2).
- (iii) This comprises the interest receivable on deferred payment of land and infrastructure leasing and sale of factories to Kinh Bac Service JSC and Sai Gon Trading JSC.
- (iv) According to the minutes of interdisciplinary between Department of Finance of Bac Ninh province, Department of Planning and Investment of Bac Ninh province, Department of Natural Resources and Environment of Bac Ninh province, Office of Industry Zone Management and KinhBac City Development Corporation dated 14 August 2007 and the Decision in regards of supporting investment capital for enterprises No. 1951/QD-UBND dated 31 December 2007, People's Committee of Bac Ninh province committed to support on leasing price of land with infrastructure at Que Vo Industrial Park. Thereafter, the amount of VND19.44 billion is the investment support from Province's budget to invest in the waste water treatment plant project at Que Vo Industrial Park.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

8. OTHER RECEIVABLES (continued)

- (v) This is the deposit to Hanoi Agriculture Investment and Development One member Limited Company in pursuant to the Contract No.128/2010/HĐ-HTKD dated 29 June 2010 to co-operate to develop a trade center, office, luxury houses, and ecotourism, mansions, garden houses, apartment houses at Minh Khai commune, Tu Liem district, Ha Noi.
- (vi) This is the receivable from Kum-Ba JSC relating to the transfer of shares at Lang Ha Investment JSC and which will fall due at the the end of 2016.
- (vii) This represents the deposits in the previous years to purchase share in Scanviwood Co., Ltd. (now known as Scanviwood JSC) with an amount of VND 7,204,600,000. During the six-month period ended 30 June 2015, the Company has completed the legal documents for the transfer of ownership in this company, and accordingly, this deposit is reclassified as investment to Scanviwood JSC (Note 14.2).

9. INVENTORIES

	<i>Currency: VND</i>			
	<i>30 June 2015</i>		<i>31 December 2014</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Trang Cat Industrial and Residential Park (i)	3,256,976,839,006	-	3.180.330.291.504	-
Tan Phu Trung Industrial Park (ii)	2,601,986,757,023	-	2.660.448.936.286	-
Phuc Ninh Urban Area	782,794,318,216	-	763.875.971.070	-
Quang Chau Industrial Park and Urban area	513,601,032,646	-	504.915.930.496	-
Trang Due Industrial Park – stage 1 (iii)	45,400,737,762	-	80.842.121.675	-
Trang Due Industrial Park – stage 2	433,399,359,703	-	954,745,236	-
Nam Son – Hap Linh Industrial Park	204,783,452,600	-	194.505.863.659	-
Que Vo II Industrial Park	155,965,708,941	-	117.840.809.247	-
Que Vo I Industrial Park	64,705,664,096	-	74.814.613.682	-
Houses for low-income residents	23,897,163,067	-	23.897.163.067	-
Other projects	13,972,866,523	-	13.923.658.637	-
TOTAL	8,097,483,899,583	-	7.616.350.104.559	-

Work in progress of the Group at 30 June 2015 includes compensation cost and infrastructure development cost, capitalized borrowing costs and allocated overheads which incurred in the development process of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh Urban Area, Nam Son - Hap Linh Industrial Park, Tan Phu Trung Industrial Park, Quang Chau Industrial Park, Trang Due Industrial Park, Trang Cat Urban and Service Zone, and other projects of the Group for sale. The majority of the Group's inventories are used as collaterals for loans as disclosed in Note 19.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

9. INVENTORIES (continued)

- (i) In accordance with the Decision No. 1548/QĐ-UBND dated 17 September 2010, the People's Committee of Hai Phong City approved the detailed planning 1/2000 of the Trang Cat Urban and Service Zone Project ("Trang Cat Project") with the approved development area of 584.91 hectares, and the Company as the investor of the Project. Consequently, the Company had established Trang Cat Urban Development One-Member Limited Company ("Trang Cat Company") to directly manage, develop and complete this project. On 8 October 2012, Hai Phong People's Committee issued Decision No. 1679/QĐ-UBND to assign the land to Trang Cat Company for the development of Trang Cat Urban and Services Zone project in Trang Cat, Hai An District, with the total assigned land area of 581.93 ha.

Also relating to Trang Cat Project, in accordance with the Asset Pledge Agreement to guarantee for obligations of third party No. 0202/2013/HDTTC-DN dated 22 February 2013 between Trang Cat Company and Western Commercial Joint Stock Bank ("Western Bank"), now merged with Vietnam Public Joint Stock Commercial Bank ("PVCombank"), Trang Cat Company has agreed to mortgage the following assets:

- ▶ Trang Cat Project;
- ▶ Property rights and economic benefits arising from the Decision on Land Assignment and the relevant documents, investments associated with the land use right in Trang Cat Project;
- ▶ All the asset rights, benefit rights arising from Trang Cat Project; and
- ▶ All the assets which will be formed in the future at Trang Cat Project.

to PVCombank to secure the obligations of the Group and other affiliates. In particular, the guaranteed obligations comprise:

- ▶ obligations of the Saigon - Binh Thuan Power Investment and Development JSC ("Saigon - Binh Thuan Company") arising from the acquisition of an investment portfolio from PVCombank according to the transfer agreement dated 1 August 2012 between the Bank and Saigon – Binh Thuan Company;
 - ▶ loans, trust investment and bonds due by the Company and its subsidiaries, associates (including the Saigon Telecommunication & Technologies Corporation - SGT) to PVCombank with a total value of VND 2,429 billion;
 - ▶ loans, trust investment and bonds due by other companies (including Saigon Construction JSC, Saigon Investment Corporation, Saigon – Cantho Industrial Park Corporation, SGI Fund Management JSC, Saigon Construction JSC, NAVI Securities JSC and Asian Securities JSC) to PVCombank with a total value of VND 1,095 billion;
- (ii) Work in progress in Tan Phu Trung Industrial Park includes the fair value of the land area having been cleared and granted with land assignment decision of Tan Phu Trung Industrial and Residential Park as developed by Northwest Saigon City Development Corporation, which had been revalued at the date the Group acquired and assumed control in this subsidiary.
- (iii) Work in progress in Trang Due Industrial Park – phase 1 includes the fair value of the land area having been cleared and granted with land assignment decision of Trang Due Industrial Park as developed by Saigon - Hai Phong Industrial Park JSC, which had been revalued at the date the Group acquired and assumed control in this subsidiary.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for six-month period ended 30 June 2015

10. TANGIBLE FIXED ASSETS

Currency: VND

	Buildings and structures (including cost of land development and infrastructure)	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
31 December 2014	170,814,699,429	32,273,266,388	32,813,108,309	4,948,281,944	894,109,090	241,743,465,160
- Newly purchased	434,020,000	-	11,329,989,092	250,000,000	-	12,014,009,092
- Transferred from construction in progress	7,893,816,850	-	-	-	-	7,893,816,850
- Other reduction	(3,069,897,535)	-	-	-	-	(3,069,897,535)
30 June 2015	176,072,638,744	32,273,266,388	44,143,097,401	5,198,281,944	894,109,090	258,581,393,567
<i>In which:</i>						
Fully depreciated	116,978,519	593,426,035	8,846,564,888	2,830,221,454	319,109,090	12,706,299,986
Accumulated depreciation:						
31 December 2014	66,303,165,568	13,836,630,000	18,455,707,360	3,431,029,992	793,346,593	102,819,879,513
- Depreciation for the period	8,198,623,239	1,611,001,413	1,895,232,202	194,002,910	35,937,500	11,934,797,264
30 June 2015	74,501,788,807	15,447,631,413	20,350,939,562	3,625,032,902	829,284,093	114,754,676,777
Net carrying amount:						
31 December 2014	104,511,533,861	18,436,636,388	14,357,400,949	1,517,251,952	100,762,497	138,923,585,647
30 June 2015	101,570,849,937	16,825,634,975	23,792,157,839	1,573,249,042	64,824,997	143,826,716,790

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

11. INVESTMENT PROPERTIES

	<i>Currency: VND</i>
	<i>Factories (including cost of land development and infrastructure)</i>
Cost:	
31 December 2014	27,405,394,467
- Increase in period	-
- Decreases in period (*)	<u>(13,502,863,854)</u>
30 June 2015	<u>13,902,530,613</u>
Amortization:	
31 December 2014	5,223,323,362
- Increase in period	1,106,467,430
- Decreases in period (*)	<u>(2,899,179,179)</u>
30 June 2015	<u>3,430,611,613</u>
Net carrying amount	
31 December 2014	<u>22,182,071,105</u>
30 June 2015	<u>10,471,919,000</u>

(*) During the six-month period ended 30 June 2015, the Company has sold C5 factory to Sai Gon Service JSC according to Contract No 2306/HĐ-SBG dated 23 June 2015.

As at 30 June 2015, the Group has not determined the fair value of these investment properties because there is no available market for these properties.

12. CONSTRUCTION IN PROGRESS

	<i>Currency: VND</i>	
	<i>30 June 2015</i>	<i>31 December 2014</i>
Lotus Hotel Project (i)	119,161,983,744	119,161,983,744
Hanoi Diplomatic Area (ii)	106,555,116,818	106,555,116,818
Que Vo II Industrial Park (iii)	-	1,994,980,499
Que Vo I Industrial Park	4,516,537,647	4,892,811,683
Bac Giang Thermal Power Plant	3,116,503,893	3,116,503,893
Factories at Quang Chau Industrial Park	160,000,000	160,000,000
Other construction in progress	1,244,590,000	786,976,364
TOTAL	<u>234,754,732,102</u>	<u>236,668,373,001</u>

(i) In accordance with the Decision No. 413/QĐ-UBND dated 22 January 2010, the Company was approved as the investor of Hanoi Lotus Hotel Project, which will be constructed in a land area of around 40,484m². Total cost incurred includes support fee of USD5.5 million to Hanoi's People Committee, design and consultancy fee paid to foreign contractors and other expenses.

(ii) Under the contract for transfer of infrastructure works No. 2592/2009/HANCORP-KBC dated 5 October 2009, Hanoi Construction Corporation has transferred the existing infrastructure works to the Company for further development of an office, representative offices for international agencies complex at Hanoi Diplomatic Area.

(iii) Properties to be formed in the future and other rights arising from Que Vo II Industrial Park are used as collateral and guarantee for the loans with the banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

13. CAPITALIZED BORROWING COSTS

During the period, the Group capitalized borrowing costs amounting to VND115.7 billion. These costs relate to borrowings taken to finance the construction of Que Vo II Industrial Park, Phuc Ninh Urban area, Quang Chau Industrial Park, Tan Phu Trung Industrial Park, Trang Due Industrial Park, Trang Cat Industrial Park and other development projects of the Group.

14. LONG-TERM INVESTMENTS

	Note	30 June 2015	31 December 2014
Investment in associates	14.1	454,664,224,996	445,993,554,433
Other long-term investments	14.2	970,219,700,000	1,141,492,700,000
Provision for long-term investments		(59,011,883,969)	(69,694,654,853)
TOTAL		1,365,872,041,027	1,517,791,599,580

14.1 Investment in associates

	Note	% of voting right	Ending balance		Beginning balance	
			Number of shares	Amount VND	Number of shares	Amount VND
Saigon – Hue Investment JSC	(i)	28.14%	9,849,000	210,314,198,766	9,849,000	210,529,264,240
Saigon Telecommunication & Technologies JSC	(ii)	21.48%	15,896,923	154,685,042,468	15,896,923	152,984,724,489
Saigon High-tech Park Infrastructure Development Investment JSC	(iii)	27.44%	8,233,083	82,468,701,980	8,233,083	82,479,565,704
Scanviwood JSC	(iv)	34%	1,077,528	7,196,281,782	-	-
TOTAL				454,664,224,996		445,993,554,433

(i) Saigon – Hue Investment JSC

Saigon – Hue Investment JSC was established in pursuant to the Business Registration Certificate No. 3103000255 issued by the Department of Planning and Investment of Thua Thien – Hue province on 9 October 2007 and the first amended Business Certification Registration on 16 February 2012 with a registered charter capital of VND350 billion. Its principal activities includes investment, construction and trading on infrastructure inside and outside industrial zone, residential areas, resettlement area, housing for worker; industrial and civil construction works, transport and power projects up to 35kV.

Its registered office is located at No.15, Nguyen Hue Street, Hue City, Viet Nam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

14. LONG-TERM INVESTMENTS (continued)

14.1 Investment in associates (continued)

(ii) Saigon Telecommunication & Technologies JSC

Saigon Telecommunication & Technologies JSC was established in pursuant to the Business Registration Certificate No. 4103000992 issued by the Department of Planning and Investment of Ho Chi Minh city on 14 May 2002 and the amended subsequent licenses, with the latest is the 13th amended Business Registration Certificate dated 11 August 2014, with a registered charter capital of VND740 billion. Its principal activities include trading computer, electronic equipment, materials, telecommunication and post equipment; trading and installation of transmission equipment, connection, security equipment for communication; information technology consulting; designing and installation of computer system; constructing industrial park, residential area, traffic, bridge and road, irrigation.

Its registered office is located at 46 Quang Trung Software Park, Ward Tan Chanh Hiep, District 12, Ho Chi Minh City.

(iii) Saigon High-tech Park Infrastructure Development Investment Joint Stock Company

Saigon High-tech Park Infrastructure Development Investment Joint Stock Company was established in pursuant to the Business Registration Certificate No. 4103006017 issued by the Department of Planning and Investment of Ho Chi Minh City on 31 January 2007 and the first amended Business Registration Certificate dated 2 July 2009 with a registered charter capital of VND300 billion. Its principal activities include infrastructure investment and development; leasing and selling office, trading centre and apartment buildings; consignment and trading agent; civil and industrial construction; development of road and drainage system; investment, management and construction consulting; brokerage; providing custom declaration services; restaurant, hotel, resort, travel businesses.

Its registered office is located at 6-1, Ree Building, 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City.

(iv) Scanviwood Joint Stock Company

Scanviwood Joint Stock Company was established in pursuant to the Business Registration Certificate No. 411031000006 by the Department of Planning and Investment of Ho Chi Minh City on 10 June 2015 with a registered capital of VND31.69 million. Its principal activities include manufacturing of household products for export.

The Company has completed the purchase of 34% equity interest in this company in June 2015.

Its registered office is located at 565 An Duong Vuong, An Lac ward, Binh Thanh district, Ho Chi Minh City, Vietnam.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

14. LONG-TERM INVESTMENTS (continued)

14.1 Investment in associates (continued)

Investments in associates as at 30 June 2015 are as below:

	Saigon Telecommunication & Technologies JSC	Saigon – Hue Investment JSC	Saigon High-tech Park Infrastructure Development Investment JSC	Scanviwood JSC	Total
Cost of investment:					
31 December 2014	423,492,661,074	210,627,000,000	82,330,830,000	-	716,450,491,074
- Increase	-	-	-	7,204,600,000	7,204,600,000
30 June 2015	423,492,661,074	210,627,000,000	82,330,830,000	7,204,600,000	723,655,091,074
Accumulated share in post-acquisition profit/(loss) of the associates:					
31 December 2014	(110,280,210,199)	(97,735,760)	148,735,704	-	(110,229,210,255)
- Share in post-acquisition profit/(loss) of the associates for the period	1,700,317,977	(215,065,473)	(10,863,724)	(8,318,218)	1,466,070,562
30 June 2015	(108,579,892,222)	(312,801,233)	137,871,980	(8,318,218)	(108,763,139,693)
Amortization goodwill:					
31 December 2014	160,227,726,386	-	-	-	160,227,726,386
30 June 2015	160,227,726,386	-	-	-	160,227,726,386
Net carrying amount:					
31 December 2014	152,984,724,489	210,529,264,240	82,479,565,704	-	445,993,554,433
30 June 2015	154,685,042,466	210,314,198,767	82,468,701,980	7,196,281,782	454,664,224,996

Currency: VND

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

14. LONG-TERM INVESTMENTS (continued)

14.2 Other long-term investments

Currency: VND

	30 June 2015			31 December 2014		
	%	Number of shares	Book value	%	Number of shares	Book value
Saigon - Binh Dinh Power JSC (*)	3.16	31,600,000	316,000,000,000	4.83	48,300,000	483,000,000,000
Saigon - Quy Nhon Mineral JSC	5.75	6,900,000	339,000,000,000	5.75	6,900,000	339,000,000,000
SGL – Lao Hydro Power JSC	19	19,000,000	190,000,000,000	19	19,000,000	190,000,000,000
Saigon - Da Nang Investment JSC	19.5	3,900,000	39,000,000,000	19.5	3,900,000	39,000,000,000
VTC-Saigontel Media JSC	19.19	3,070,020	30,700,200,000	19.19	3,070,020	30,700,200,000
Saigon-Binh Phuoc Industrial Park JSC	10.56	190,000	19,000,000,000	10.56	190,000	19,000,000,000
Saigon Investment Construction and Construction Materials JSC	19	950,000	11,352,500,000	19	950,000	11,352,500,000
Saigon – NhonHoi Industrial Park JSC	10	100,000	10,000,000,000	10	100,000	10,000,000,000
Saigon – Ham Tan Tourism JSC (**)	1.63	70,000	7,000,000,000	6.48	70,000	7,000,000,000
Ban Viet Capital Healthcare Fund (***)	3	43.67	4,367,000,000	3	86.40	8,640,000,000
Saigon - Binh Thuan Investment Development Power Plant JSC	0.35	350,000	3,500,000,000	0.35	350,000	3,500,000,000
Saigon – Long An Industrial Park JSC	0.15	30,000	300,000,000	0.15	30,000	300,000,000
TOTAL			970,219,700,000			1,141,492,700,000
<i>Provision for long-term investments</i>			<i>(59,011,883,969)</i>			<i>(69,694,654,853)</i>
NET CARRYING VALUE			911,207,816,031			1,071,798,045,147

(*) On 30 June 2015, the Company has transferred 16.7 million shares of Saigon- Binh Dinh Energy JSC ("Saigon – Binh Dinh") to Kinh Bac Service JSC. Accordingly, this has decreased the Company's ownership interest in Saigon – Binh Dinh to 3.16%.

(**) On 24 April 2015, Saigon – Ham Tan Tourism JSC has increased its share capital to VND 430 billion. The Company has not participated in this new share issue and thus, its actual ownership interest in this company has decreased to 1.6%.

(***) According to the Announcement No.1815/UBCK – QLQ dated 15 April 2015, State Security Commission of Vietnam has confirmed the decrease in the charter capital of Ban Viet Health Securities Investment Fund from VND287,984 million to VND145,541 million. As at 30 June 2015, the Company has contributed VND 4,367 million to this fund, representing a 3% ownership interest.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

15. TRADE PAYABLES AND ADVANCE FROM CUSTOMERS

15.1 Trade payables

Currency: VND

	30 June 2015		31 December 2014	
	<i>Amount</i>	<i>Amount payable</i>	<i>Amount</i>	<i>Amount payable</i>
Trade payable				
- Kumba JSC(*)	114,000,000,000	114,000,000,000	-	-
- Truong Phat Investment JSC	13,916,503,150	13,916,503,150	14,652,077,895	14,652,077,895
- Trong Cuong Limited Company	11,733,482,773	11,733,482,773	2,537,411,718	2,537,411,718
- BlueScope Buildings Vietnam Limited Company	7,767,350,000	7,767,350,000	6,231,295,300	6,231,295,300
- Ha Noi Construction No.1 JSC	3,317,260,652	3,317,260,652	3,749,876,087	3,749,876,087
- Other suppliers	32,571,845,776	32,571,845,776	28,488,499,830	28,488,499,830
Trade payables to related parties (Note 29)	81,620,000	81,620,000	17,160,000	17,160,000
TOTAL	183,388,062,351	183,388,062,351	55,676,320,830	55,676,320,830

15.2 Short-term advances from customers

Currency: VND

	30 June 2015	31 December 2014
Deposit for purchase of houses and land use rights at Phuc Ninh urban project	195,253,258,200	196,210,907,200
Deposit by National Citizen Bank (previously known as Nam Viet Commercial Joint Stock Bank) for purchase of houses and land use rights at Phuc Ninh urban project	66,582,840,000	66,582,840,000
Deposit for purchase of houses and land use rights at Quang Chau urban project	57,394,622,400	57,394,622,400
Prepayment for land rental at Tan Phu Trung industrial parks	45,598,235,006	80,261,675,865
Prepayment for land rental at Trang Due industrial parks	-	5,407,028,918
Other advances from customers	4,532,474,300	3,001,365,109
TOTAL	369,361,429,906	408,858,439,492

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

16. STATUTORY OBLIGATIONS

	31 December 2014	Increase in period	Payment/Off-set in period	30 June 2015
Payables				
Value added tax	73,501,280,142	58,622,067,358	(17,121,970,639)	115,001,376,861
Corporate income tax (Note 28.2)	64,828,024,019	52,772,966,370	(9,413,155,575)	108,187,834,814
Personal income tax	308,393,438	1,764,252,048	(1,672,223,775)	400,421,711
Other taxes	28,859,757,510	351,943,096	(439,869,409)	28,771,831,197
TOTAL	167,497,455,109	113,511,228,872	(28,647,219,397)	252,361,464,583
Receivables				
Corporate income tax (Note 28.2)	8,655,756,459	-	(6,825,931,629)	1,829,824,830
TOTAL	8,655,756,459	-	(6,825,931,629)	1,829,824,830

(*) Included in statutory obligations is accrual for land lease of Northwest Saigon City Development Corporation ("SCD") for Tan Phu Trung Industrial Zone Project with the amount of VND28.4 billion. SCD is currently in the process of working with the relevant agencies to determine the land lease obligation to the State (Note 31).

17. ACCRUED EXPENSES

	Currency: VND	
	30 June 2015	31 December 2014 (Restated)
Short-term		
Future development cost for recognised sales	676,363,554,749	617,851,226,038
- Que Vo I Industrial Park	35,681,607,276	38,715,957,304
- Que Vo II Industrial Park	136,977,038,409	140,748,043,682
- Trang Due Industrial Park	103,662,538,779	81,503,597,814
- Quang Chau Industrial Park	155,465,466,433	158,371,537,693
- Tan Phu Trung Industrial Park	244,576,903,852	198,512,089,545
Accrued interest expenses (*)	241,254,817,275	208,626,297,520
Bond issuance costs	-	13,950,000,000
Accrued expenses to related parties (Note 29)	303,293,241	235,894,743
Other accrued expenses	6,035,975,847	9,189,726,831
TOTAL	923,957,641,112	849,853,145,132
Long-term		
Accrued interest expenses (*)	630,097,013,549	573,779,452,057
TOTAL	630,097,013,549	573,779,452,057

(*) Mostly include the bond interest expenses incurred with PVCombank. As at 30 June 2015, PVCombank issued an official letter approving the restructuring and extension of the terms of the bond principal and bond interest payment. Accordingly, these bond interest expenses will fall due in 2017 and 2019 (Note 19.3).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

18. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>30 June 2015</i>	<i>31 December 2014</i>
		<i>(Restated)</i>
Short-term		
Kinh Bac Investment and Consulting JSC	5,000,000,000	82,570,642,264
Kinh Bac Service JSC (i)	38,000,000,000	38,000,000,000
Saigon Investment JSC	-	70,000,000,000
Other payables	10,737,470,488	13,652,090,198
	<u>53,737,470,488</u>	<u>204,222,732,462</u>
Long-term		
Cholimex Mechatronics Informatics JSC (ii)	55,500,000,000	55,500,000,000
Deposit from customers for factory leases	2,783,334,960	-
Other deposits	3,442,399,555	6,570,305,020
	<u>61,725,734,515</u>	<u>62,070,305,020</u>

(*) This represents the deposit for land rental at Trang Due Industrial Park according to contract No. 03/HĐNX/KD-2009 signed between Saigon – Hai Phong Industrial Park JSC and Kinh Bac Service JSC.

(ii) In 2014, the Group received VND 55.5 billion from Cholimex Mechatronics Informatics JSC for the purpose of infrastructure development at Phuc Ninh Urban Zone in accordance with the Business Cooperation Agreement No. 1004/HĐHTKD-KBC/2014 dated 10 April 2014.

19. LOANS AND FINANCE LEASES

	<i>Currency: VND</i>	
	<i>30 June 2015</i>	<i>31 December 2014</i>
		<i>(Restated)</i>
Short-term		
Loans from others (*)	32,868,697,019	32,868,697,019
Current portion of long-term loans	879,901,532,406	871,622,253,601
Loans from related parties (Note 29)	112,330,830,000	112,330,830,000
	<u>1,025,101,059,425</u>	<u>1,016,821,780,620</u>
Long-term		
Long-term loans from bank (Note 19.2)	824,576,007,686	554,781,596,475
Loans from related parties (Note 29)	28,991,497,907	1,500,000,000
Bonds (Note 19.3)	2,137,478,634,375	2,464,952,580,171
	<u>2,991,046,139,968</u>	<u>3,021,234,176,646</u>
<i>In which:</i>		
Current portion of long-term loans	879,901,532,406	871,622,253,601
Long-term loans	2,111,144,607,562	2,149,611,923,045

(*) These include unsecured, interest free loans from Sai Gon Investment JSC and Kinh Bac Service JSC.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

19. LOANS AND FINANCE LEASES (continued)

19.1 Long-term loans from bank

As at 30 June 2015, details of long term loans from banks are as follows:

Banks	30 June 2015	Original amount (USD)	Interest rate per annum	Principal and interest repayment term	Description of collateral
Vietnam Bank for Industry and Trade— Que Vo branch	339,513,000,000	-	11%	Principal and interest payment on 6 February 2020	54,000 m2 factory area in Trang Due Industrial Zone - Hai Phong., with estimated valuation of VND100 billion.
Nam Viet Joint Stock Commercial Bank- Ha Noi branch	6,366,690,272	292,452	10.38%	Interest payment at end of each quarter. Principal matures on 25 January 2018	Properties formed from loan proceed, which are equipment at the water plant at Quang Chau industrial zone.
Wesstern Joint Stock Commercial Bank	320,000,000,000	-	9.2%	31 December 2017	Properties formed in the future of 120 ha at Quang Chau industrial zone.
Natioanl Citizen Joint Stock Commercial Bank (previously known as Nam Viet Joint Stock Commercial Bank)	105,796,317,414	-	11% - adjusted every 6 months	Principal payment every 6 months, 5 times from 18 August 2016	Land use right of lots B1, B2, B4, B5 at Tan Phu Trung Industrial Zone
Vietnam Bank for Industry and Trade – Que Vo branch	37,900,000,000	-	11%	Principal matures on 10 December 2015. Interest payment at 25 th at the end of each quarter	Properties to be formed the in future and asset rights relating to the loan proceeds used at Que Vo II Industrial Park, Nam Son-Hap Linh industrial zone and Phuc Ninh Urban Area.
Vietnam Bank for Industry and Trade— Que Vo branch	15,000,000,000	-	Deposit interest of 12 months, ± 3.5% per annum	Principal payment every 3 months	Trust
TOTAL	824,576,007,686				
<i>In which</i> - Current portion of long-term loan	54,597,898,031				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

19. LOANS AND FINANCE LEASES (continued)

19.2 Bonds

As at 30 June 2015, bonds issued by the Group are as follows:

Bond	Type of bond	Number of bonds	Par value VND	Amount (VND)	Interest rate per annum	Duration	Collaterals
KBC Bond 001	Secured corporate bond issued to Vietnam Joint Stock Commercial Bank for Industry and Trade (i)	4,500,000	100,000	450,000,000,000	10.125%	8 May 2017	All assets which the Company have invested and will invest in the future on the expansion of Que Vo II of 300 ha and 45 ha of land at Phuc Ninh Residential Area.
	Guarantee fee for KBC Bond 001 issuance			(1,196,365,625)			
KBC Bond 003	Corporate bond issued to PVcombank (ii)	500,000	100,000	50,000,000,000	9.2%	31 October 2015	Inventories of Trang Cat Urban and Service Zone Project
KBC Bond 004	Corporate bond issued to PVcombank (ii)	4,000,000	100,000	400,000,000,000	9.2%	30 April 2016	Inventories of Trang Cat Urban and Service Zone Project
KBC Bond 005	Secured corporate bond issued to Vietnam Development and Investment Bank (iii)	4,000,000	100,000	400,000,000,000	9.63%	28 December 2017	12.63 million SGT shares, and 16.75 million KBC shares owned by Mr. Dang Thanh Tam and asset to be formed in the future at Quang Chau IZ
KBC Bond 006	Corporate bond issued to PVcombank (ii)	3,000,000	100,000	300,000,000,000	9.2%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project
KBC Bond 007	Corporate bond issued to PVcombank (ii)	3,000,000	100,000	300,000,000,000	9.2%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project
001/2009/TPS CD01/HDMB	Secured corporate bond issued to National Citizen Bank (iv)	255,430	100,000	25,543,000,000	12.50%	17 September 2019	Land use right for area B1-B2 with estimated value of VND230 billion
002/2009/TPS CD01/HDMB	Secured corporate bond issued to National Citizen Bank (v)	988,560	100,000	98,856,000,000	12.50%	18 December 2019	Land use right for area B4 with estimated value of VND262 billion
003/2009/TPS CD01/HDMB	Secured corporate bond issued to National Citizen Bank (vi)	1,142,760	100,000	114,276,000,000	12.50%	18 December 2019	Land use right for area B5-B6 with estimated value of VND114 billion
TOTAL		21,386,750		2,137,478,634,375			
	<i>In which:</i>						
	Bonds due in the next 12 months			825,000,000,000			
	Bond warranty issuance cost			(1,196,365,625)			

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

20. CONVERTIBLE BONDS

Currency: VND

	31 December 2014 (Restate)	Movement in period			30 June 2015
		New issuance	Transferred to share capital (*)	Due and not transferred to share capital	
Convertible bonds	886,050,000,000	291,411,000,000	1,177,461,000,000	-	-

(*) The value of convertible bonds is recorded at the original cost of bond after deducting the cost of bond issuance.

As at 23 December 2014 ("issuance date"), the Company issued a plan to raise 1,200 convertible bonds in VND, with total par value of VND1,200 billion. Up to 31 December 2014, the Company successfully issued 900 convertible bonds with total amount of VND900 billion. On 14 January 2015, the Company has completed the issue of another VND 300 billion convertible bond, and have, therefore, completed the issue of VND1,200 billion convertible bonds. These bonds are unsecured, bearing interest at a fixed rate of 8% per annum with payment term of 3 years.

In accordance with conditions and terms of convertible bonds issued by the Company, the bondholders are allowed to convert these bonds into ordinary shares in 05 (five) lots, at stipulated conversion date as follows:

- ▶ 1st lot: 1 month after issuance date;
- ▶ 2nd lot: 6 months after issuance date;
- ▶ 3rd lot: 12 months after issuance date;
- ▶ 4th lot: 24 months after issuance date; and
- ▶ 5th lot: 36 months after issuance date.

The number of bonds eligible for conversion in each lot is at the discretion of bondholders. Ordinary shares issued on the 1st and 2nd conversion lot will be restricted from trading within 1 year from issuance date. From the 3rd lot, ordinary shares issued are freely traded after the conversion and listing.

Since the number of shares to be converted is not fixed (depending on the market value of the shares at the time of conversion), the management has recorded the entire proceeds from the issuance of convertible bonds as liabilities, rather than bifurcating between the debt component and the equity component on the balance sheet at the time of issuance.

In January 2015, bondholders have decided to convert the above bonds into shares of the Company. Accordingly, VND 1,200 billion convertible bonds have been converted into 80 million shares, at the conversion price of VND 15,000/share. This conversion has increased the Company's share capital by an additional VND 800 billion (80,000,000 shares at the par value of VND 10,000/share).

KinhBac City Development Holding Corporation

B09a-DN/HN

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

Currency: VND

	Charter capital issued share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interest	Total
For the six-month period ended 30 June 2014							
31 December 2013	2,957,111,670,000	611,603,430,000	(364,466,650,000)	2,223,693,823	844,008,284,354	864,294,659,709	4,914,775,087,886
- Increase in capital	1,000,000,000,000	-	-	-	-	250,000,000	1,000,250,000,000
- Net profit/(loss) for the period	-	-	-	-	41,882,915,893	(16,036,628,235)	25,846,287,658
30 June 2014	3,957,111,670,000	611,603,430,000	(364,466,650,000)	2,223,693,823	885,891,200,247	848,508,031,474	5,940,871,375,544
For the six-month period ended 30 June 2015							
31 December 2014	3,957,111,670,000	611,603,430,000	(364,466,650,000)	2,223,693,823	1,169,625,513,861	880,383,874,802	6,256,481,532,486
- Increase in capital (*)	800,000,000,000	377,461,000,000	-	-	-	-	1,177,461,000,000
- Net profit/(loss) for the period	-	-	-	-	252,710,595,472	(1,700,857,381)	251,009,738,091
30 June 2015	4,757,111,670,000	989,064,430,000	(364,466,650,000)	2,223,693,823	1,422,336,109,333	878,683,017,421	7,684,952,270,577

(*) See note 20.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

21. OWNERS' EQUITY (continued)

21.2 Contributed charter capital

Currency: VND

	30 June 2015			31 December 2014		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
Contributed by shareholders	4,757,111,670,000	4,757,111,670,000	-	3,957,111,670,000	3,957,111,670,000	-
Share premium	989,064,430,000	989,064,430,000	-	611,603,430,000	611,603,430,000	-
Treasury shares	(364,466,650,000)	(364,466,650,000)	-	(364,466,650,000)	(364,466,650,000)	-
TOTAL	5,381,709,450,000	5,381,709,450,000	-	4,204,248,450,000	4,204,248,450,000	-

21.3 Capital transactions with owners and distribution of dividends, profits

Currency: VND

	For the six-month period ended 30 June 2015	For the six-month period ended 30 June 2014
Contributed capital		
Beginning balance	3,957,111,670,000	2,957,111,670,000
Increase	800,000,000,000	1,000,000,000,000
Decrease	-	-
Ending balance	<u>4,757,111,670,000</u>	<u>3,957,111,670,000</u>
Dividends/profit paid	-	-

21.4 Dividends

According to the Resolution of the Annual Shareholders Meeting No.2704/2015/KBC/ NQ-ĐHĐCĐ dated 27 April 2015, the Company will proceed to pay dividends at the rate of 4% of the total shares in circulation of the Company (being 469,760,189 shares), with the value of the stock dividend of VND 187,904,070,000, equivalent to 18,790,407 shares. The Company will use the undistributed net profits after tax which belongs to shareholders of the parent company as reported on the 2014 financial statements to issue new shares.

21.5 Shares

	30 June 2015		31 December 2014	
	Shares	VND	Shares	VND
Issued shares	475,711,167	4,757,111,670,000	395,711,167	3,957,111,670,000
Issued and paid-up shares	475,711,167	4,757,111,670,000	395,711,167	3,957,111,670,000
Ordinary shares	475,711,167	4,757,111,670,000	395,711,167	3,957,111,670,000
Preferred shares	-	-	-	-
Treasury shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
Ordinary shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
Preferred shares	-	-	-	-
Shares in circulation	469,760,189	4,697,601,890,000	389,760,189	3,897,601,890,000
Ordinary shares	469,760,189	4,697,601,890,000	389,760,189	3,897,601,890,000
Preference shares	-	-	-	-

Par value of outstanding share: VND10,000/share (2014: VND10,000/share).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

22. NON-CONTROLLING INTEREST

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Beginning balance	880,383,874,802	864,294,659,709
Capital contribution by non-controlling interest	-	250,000,000
Loss of non-controlling interest	(1,700,857,381)	(16,036,628,235)
Closing balance	<u>878,683,017,421</u>	<u>848,508,031,474</u>

23. REVENUE

23.1 Revenue from sales of goods and rendering of services

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Gross revenue	646,914,470,560	220,485,642,208
In which:		
Revenue from lease of land and infrastructures (*)	520,094,403,272	158,123,957,265
Revenue from sale of factories	93,397,402,000	21,790,680,000
Revenue from warehouse, building and office lease	63,812,112	16,193,734,031
Revenue from supply of clean water, electricity, service, water treatment supply	33,358,853,176	24,377,270,912
Less		
Sales returns	-	-
Net revenue	<u>646,914,470,560</u>	<u>220,485,642,208</u>
In which:		
Sales to others	646,914,470,560	220,485,642,208
Sales to related parties	-	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

23. REVENUES (continued)

- (*) During the period, the Group recorded revenue from long-term lease of land and infrastructure at the industrial parks in the interim consolidated income statement when the land is handed-over to the customers based on the assessment that significant risks and rewards associated with ownership of the land were transferred to tenants. If the revenue from the lease of land and infrastructure is allocated over the lease term, the impacts to revenue, cost of sales and rendering of service, and profit before and after corporate income tax of the Group are as follows:

	<i>Currency: VND</i>	
	<i>Revenue recognized in full at the land handover date</i>	<i>Revenue is amortized over the lease term</i>
Revenue	646,914,470,560	132,859,674,970
<i>In which:</i>		
<i>Revenue from lease of land and infrastructures (*)</i>	<u>520,094,403,272</u>	<u>6,039,607,682</u>
Cost of goods sold and services rendered	<u>(385,801,659,990)</u>	<u>(61,837,822,115)</u>
Gross profit of goods sold and services rendered	<u>261,112,810,570</u>	<u>71,021,852,855</u>
Profit before tax	283,136,701,460	49,115,528,077
Current corporate income tax expenses	(52,772,966,370)	(9,188,230,704)
Deferred tax income/(expenses)	<u>20,646,003,001</u>	<u>(22,938,732,665)</u>
Net profit after tax	<u>251,009,738,091</u>	<u>16,988,564,708</u>

23.2 Finance income

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Gain on transfer of financial investments (*)	100,200,000,000	108,146,541,480
Interest income from outstanding receivables from sale of land and factories (**)	20,734,648,545	21,456,864,484
Interest income from deposits	3,627,128,502	2,177,899,129
Gains from securities trading and financial activities	1,727,440,000	1,139,594,814
Unrealised foreign exchange gains	130,119,497	250,124,199
Other financial income	<u>414,288,762</u>	<u>31,553,196</u>
TOTAL	<u>126,833,625,306</u>	<u>133,202,577,302</u>

- (*) This is profit from transferring of shares in Saigon - Binh Dinh Power Corporation during the period (Note 14.2).

- (**) This is mostly comprised of the interest on receivable from Kinh Bac Service JSC under the contracts for leasing land and factories.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

24. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Cost leased land and infrastructures	323,779,292,916	83,574,998,249
Cost of factories sold	41,907,066,064	10,983,420,538
Cost of leased warehouses, factories and offices	1,131,369,501	4,791,373,339
Others	18,983,931,509	13,520,376,124
TOTAL	<u>385,801,659,990</u>	<u>112,870,168,250</u>

Included in costs of sold properties are the following accruals:

	<i>For the six-month period ended 30 June 2015</i>		<i>For the six-month period ended 30 June 2014</i>	
	<i>Costs</i>	<i>Accrued amount</i>	<i>Costs</i>	<i>Accrued amount</i>
Long-term lease of land and infrastructure	323,779,292,916	109,132,270,610	83,574,998,249	20,932,348,324
TOTAL	<u>323,779,292,916</u>	<u>109,132,270,610</u>	<u>83,574,998,249</u>	<u>20,932,348,324</u>

25. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Interest expenses	42,843,269,634	152,630,742,496
Reversal of provision for long-term investment and receivables	(20,809,505,383)	(539,145,076)
Bond issue and guarantee cost	4,381,014,334	7,674,912,480
Interest expenses incurred from the deposits to purchases land at Phuc Ninh Urban Area	1,775,655,000	712,152,000
Realized foreign exchange losses	865,660,687	815,421,556
Unrealized foreign exchange losses	179,794,995	71,147,375
Others	100,942,522	1,455,950,585
TOTAL	<u>29,336,831,789</u>	<u>162,821,181,416</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

26. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
General and administrative expenses		
Depreciation	3,604,518,724	2,835,269,425
Labour costs	27,069,028,628	19,873,669,605
External expenses	5,600,543,313	5,466,624,483
Others	13,452,391,704	8,756,153,674
TOTAL	<u>49,726,482,369</u>	<u>36,931,717,187</u>
Selling expenses		
Purchases of company's logo	14,901,600,000	-
Consultant and promotion expenses	10,776,285,917	4,075,470,885
Labour cost	1,276,550,000	1,140,719,000
Others	764,469,802	346,796,712
TOTAL	<u>27,718,905,719</u>	<u>5,562,986,597</u>

27. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014 (Restated)</i>
Land, infrastructures, buildings development and services rendering expenses	356,766,932,135	100,074,850,820
Labour costs	29,693,700,287	22,512,545,577
Depreciation of fixed assets, amortisation of goodwill and allocation of prepaid expenses	13,041,264,694	15,860,363,145
Expenses for external services	49,594,445,415	9,308,982,155
Other expenses	14,150,705,547	7,608,130,337
TOTAL	<u>463,247,048,078</u>	<u>155,364,872,034</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

28. CORPORATE INCOME TAX

The corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 22% of profit after tax for the six-month period ended 30 June 2015, except for the followings:

- ▶ For the operating activities at Que Vo I Industrial Park, the Company is obliged to pay Corporate Income Tax ("CIT") with an applicable rate of 10% for the first 15 years of operations and of 22% for the following years. The Company is entitled to an exemption from CIT for four years from 2005 to 2008, and a 50% reduction of the applicable CIT rate for the following nine years until 2017. The statutory CIT rate applicable for the six-month period ended 30 June 2015 is 10%, with a 50% reduction.
- ▶ For the operating activities at Que Vo II Industrial Park, the Company is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operations and of 22% for the following years. The Company is entitled to an exemption from CIT for three years from 2008 to 2010, and a 50% reduction of the applicable CIT rate for the following seven years from 2011 to 2017. The statutory CIT rate applicable for the six-month period ended 30 June 2015 is 10%, with a 50% reduction.
- ▶ For the operating activities at Quang Chau Industrial Park, Saigon-Bacgiang Industrial Park JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for four years from 2008 to 2011, and a 50% reduction of the applicable CIT rate for the following seven years. The statutory CIT rate applicable for the six-month period ended 30 June 2015 is 10%, with a 50% reduction.
- ▶ For the operating activities at Trang Due Industrial Park, Saigon – Hai Phong Industrial Park JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for four years from 2009 to 2012, and a 50% reduction of the applicable CIT rate for the following nine years. The statutory CIT rate applicable for the six-month period ended 30 June 2015 is 10%, with a 50% reduction.
- ▶ For operating activities at Tan Phu Trung Industrial Park, Northwest Saigon City Development Corporation is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for four years from 2007 to 2010, and a 50% reduction of the applicable CIT rate for the following nine years. The statutory CIT rate applicable for the six-month period ended 30 June 2015 is 10%, with a 50% reduction.
- ▶ For operating activities at Trang Cat Urban and Service Zone, Trang Cat One Member Urban Development Company Limited Company is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operations and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for four years from 2012 to 2016, and a 50% reduction of the applicable CIT rate for the following nine years. The company is exempt from tax for the six-month period ended 30 June 2015.

The tax returns filed by Company and subsidiaries 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 financial statements could change at a later date upon final determination by the tax authorities.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

28. CORPORATE INCOME TAX (continued)

28.1 CIT expenses

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Current CIT expenses	52,772,966,370	5,792,089,039
Deferred CIT income	<u>(20,646,003,001)</u>	<u>(5,785,616,999)</u>
TOTAL	<u>32,126,963,369</u>	<u>6,472,040</u>

28.2 Current CIT

The current tax payable is based on taxable profit for the period. The taxable profit of the Group for the period differs from the profit as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the interim consolidated balance sheet date.

The reconciliation between the profit before tax and taxable profit is presented below:

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Profit before tax	283,136,701,460	25,852,759,698
Adjustments to increase/(decrease) accounting profit		
Adjustments to increase		
Non-deductible expenses	1,541,155,566	2,284,038,724
Taxable income from previous year's land leasing activities which is taxable in the current period	7,387,323,167	7,387,323,167
Allocation of fair value adjustment on business combination	103,738,280,662	31,812,152,210
Loss from associates	-	9,716,736,350
Adjustments to decrease		
Profit from associates	(1,466,070,562)	-
Gain from disposal of associate	-	(1,196,541,480)
Previous year's expenses deductible in current period	-	(10,414,000,000)
Reversal of provision	<u>(43,390,024,809)</u>	<u>(22,954,980,544)</u>
Adjusted net profit before loss carried forward	350,947,365,484	42,487,488,125
<i>In which:</i>		
<i>Profit before tax of the Company</i>	<i>154,063,846,599</i>	<i>39,138,564,072</i>
<i>Losses before tax of the Company (Hochiminh city branch)</i>	<i>(29,491,579)</i>	<i>(9,419,808)</i>
<i>Profit before tax of subsidiaries</i>	<i>203,679,292,454</i>	<i>41,329,725,745</i>
<i>Losses before tax of subsidiaries</i>	<i>(14,153,605,157)</i>	<i>(45,358,705,051)</i>
Taxable income from land leasing in previous years	7,387,323,167	7,387,323,167
Tax loss carried forward	<u>(71,752,673,639)</u>	<u>(47,752,102,807)</u>
Estimated current taxable income	279,194,691,845	(5,264,614,682)
Estimated current CIT	52,772,966,370	5,792,089,039
CIT payable at the beginning of the period	64,828,024,019	20,435,593,460
CIT prepaid at the beginning of the period	(8,655,756,459)	(10,350,865,367)
CIT paid during the period	<u>(2,587,223,946)</u>	<u>(3,239,921,072)</u>
CIT payable at the end of the period	<u>106,358,009,984</u>	<u>12,636,896,060</u>
<i>In which:</i>		
<i>CIT payable (Note 16)</i>	<i>108,187,834,814</i>	<i>22,992,071,779</i>
<i>CIT prepaid (Note 16)</i>	<i>(1,829,824,830)</i>	<i>(10,355,175,719)</i>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

28. CORPORATE INCOME TAX (continued)

28.3 Deferred CIT

The followings are the deferred tax assets and liabilities recognized by the Group, and the movements thereon, during the current and previous period:

Currency: VND

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2015</i>	<i>31 December 2014</i>	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Deferred tax assets	-	-	-	-
Deferred tax liabilities				
Deferred tax liabilities arising from fair value adjustment at business combination date with Northwest Saigon City Development JSC	249,154,428,079	262,874,442,901	(13,720,014,822)	(3,679,474,626)
Deferred tax liabilities arising from fair value adjustment at business combination date with Saigon – Hai Phong Industrial Park JSC	5,058,968,630	9,239,307,668	(4,180,339,038)	(1,810,503,871)
Deferred tax liabilities arising from allocation of CIT over the lease term	108,732,802,029	111,478,451,170	(2,745,649,141)	(295,638,502)
	<u>362,946,198,738</u>	<u>383,592,201,739</u>		
Net deferred income tax credit to the consolidated income statement			<u>(20,646,003,001)</u>	<u>(5,785,616,999)</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

28. CORPORATE INCOME TAX (continued)

28.4 Unrecognised deferred tax assets

Tax losses carried forward

The Group is entitled to carry the tax loss forward to offset with the taxable profit arising within 5 years subsequent to the year in which the loss was incurred. As at the interim consolidated balance sheet date, the Group has accumulated losses of VND 223,281,254,464 (31 December 2014: VND 294,190,884,548) which are available for offset against future taxable profits. Details are as follows:

Currency: VND

Originating year	Can be utilized up to		Tax loss amount(*)	Utilized up to 30 June 2015	Forfeited	Unutilized at 30 June 2015
2012	2017	(i)	279,931,148,378	(216,255,685,478)	-	63,675,462,900
2013	2018	(i)	114,297,270,724	(44,124,963,229)	(13,358,056,421)	56,814,251,074
2014	2019	(i)	88,608,443,754	-	-	88,608,443,754
2015	2020	(i)	14,183,096,736	-	-	14,183,096,736
TOTAL			497,019,959,592	(260,380,648,707)	(13,358,056,421)	223,281,254,464

- (i) Estimated tax loss as per Company and subsidiaries' corporate income tax declarations which have not been audited by the local tax authorities as of the date of these interim consolidated financial statements.

No deferred tax assets were recognised in respect of the remaining accumulated losses because future taxable profit cannot be ascertained at this stage.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

29. TRANSACTIONS WITH RELATED PARTIES

List of related parties which had transactions and/or receivable/payable balances during the period with the Group:

<i>No</i>	<i>Related party</i>	<i>Relationship</i>
1	Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Associate
2	Saigon Telecommunication & Technologies Corporation	Associate
3	Saigon - Hue Investment Corporation	Associate
4	Scanviwood Joint Stock Company	Associate
5	Saigon – Da Nang Investment Corporation	Common investor
6	Mr. Dang Thanh Tam	Chairman
7	Ms. Nguyen Thi Thu Huong	General Director
8	Mr. Phan Anh Dung	Deputy General Director

Terms and conditions of transactions with related parties

The sales of goods to related parties are made on contractual basis.

Outstanding balances at 30 June 2015 are unsecured, interest free and will be settled in cash. For the six-month period ended 30 June 2015, the Group has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Significant transactions between the Group and its related parties during the period are as follows:

<i>Related party</i>	<i>Description</i>	<i>Currency: VND</i>	
		<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Mr. Dang Thanh Tam	Drawdown of loan	33,136,871,057	-
	Repayment of loan principal	5,645,373,150	-
	Advance	13,679,289,000	28,224,535,211
	Advance clearance	18,289,115,088	28,217,583,905

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

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

As at 30 June 2015, amount due from and to related parties of the Group are as follows:

<i>Related party</i>	<i>Description</i>	<i>Currency: VND</i> <i>Amount</i>
<i>Other loan receivables (Note 7)</i>		
Saigon – Hue Investment Corporation	Shor-term loan	400,000,000
Saigon Telecommunication & Technologies Corporation – Bac Ninh branch	Short-term loan	8,900,000,000
		9,300,000,000
<i>Other short-term receivables (Note 8)</i>		
Mr. Dang Thanh Tam	Advance	3,237,699,000
Mrs. Nguyen Thi Thu Huong	Advance	3,960,772,420
Mr. Phan Anh Dung	Advance	110,000,000
Mrs. Nguyen Chung Thuy	Advance	15,000,000
Saigon Telecommunication & Technologies Corporation	Deposit	21,592,687,097
		28,916,158,517
<i>Trade payable (Note 15)</i>		
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Service fee payable	81,620,000
		81,620,000
<i>Accrued expenses (Note 17)</i>		
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Loan interest accruals	303,293,241
		303,293,241
<i>Short-term loan (Note 19)</i>		
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company(*)	Short-term loan	112,330,830,000
		112,330,830,000
<i>Long-term loans (Note 19)</i>		
Saigon - Da Nang Investment Corporation (**)	Current portion of long-term loan	1,500,000,000
Mr. Dang Thanh Tam (***)	Long-term loan	27,491,497,907
		28,991,497,907

(*) This is the short-term loan from Saigon High-tech Park Infrastructure Development Investment Joint Stock Company which bears interest at 0.01%/month and will mature on 30 June 2016.

(**) This is the long-term loan from Saigon - Da Nang Investment JSC. This loan bears no interest and requires no collateral, which will mature on 10 July 2015.

(***) This is the long-term loan from Mr. Dang Thanh Tam which is non-interest bearing and requires no collateral. This loan will mature on 7 May 2017.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

29. TRANSACTIONS WITH RELATED PARTIES (continued)

As at 31 December 2014, amount due from and to related parties of the Group are as follows:

		<i>Currency: VND</i>
<i>Related party</i>	<i>Description</i>	<i>Amount</i>
<i>Other loan receivables (Note 7)</i>		
Saigon – Hue Investment Corporation	Short term loan receivable	400,000,000
Saigon Telecommunication & Technologies Corporation – Bac Ninh branch	Short term loan receivable	8,900,000,000
		<u>9,300,000,000</u>
<i>Other receivables (Note 8)</i>		
Ms. Nguyen Thi Thu Huong	Advance	3,960,772,420
Mr. Dang Thanh Tam	Advance	6,638,125,088
Ms. Nguyen Chung Thuy	Advance	180,000,000
Mr. Phan Anh Dung	Advance	110,000,000
Saigon Telecommunication & Technologies Corporation	Other receivables	22,592,687,097
		<u>33,481,584,605</u>
<i>Short-term loan (Note 19)</i>		
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Short-term loan	112,330,830,000
		<u>112,330,830,000</u>
<i>Trade payable (Note 15)</i>		
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Trade payable	17,160,000
		<u>17,160,000</u>
<i>Accrued expenses (Note 17)</i>		
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Interest payable	235,894,743
		<u>235,894,743</u>
<i>Long-term loans (Note 19)</i>		
Saigon - Da Nang Investment Corporation	Long-term loan	1,500,000,000
		<u>1,500,000,000</u>

Transactions with other related parties

Remuneration to members of the Management and Board of Directors:

		<i>Currency: VND</i>	
		<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Salaries and bonus	4,756,947,333	2,433,645,000	
Allowance for Board of Management	688,000,000	207,916,668	
TOTAL	<u>5,444,947,333</u>	<u>2,641,561,668</u>	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

30. EARNINGS PER SHARE

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

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

The Group uses the following information to calculate earnings per share.

	<i>Currency: VND</i>	
	<i>For the six-month period ended 30 June 2015</i>	<i>For the six-month period ended 30 June 2014</i>
Net profit after tax attributable to ordinary equity holders for basic earnings	252,710,595,472	41,882,915,893
<i>Effect of dilution:</i>		
Interest on convertible bonds	-	-
Net profit after tax attributable to ordinary equity holders adjusted for the effect of dilution	252,710,595,472	41,882,915,893
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	459,982,410	330,315,744
<i>Effect of dilution:</i>		
Convertible preference shares	-	-
Adjusted weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	459,982,410	330,315,744
Earnings per share	549	127
Diluted earnings per share	549	127

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

31. COMMITMENTS AND CONTINGENCIES

31.1 Commitments relating to real estate investment projects

Commitments relating to the State

- (i) According to Decision 413/QD-UBND issued by Hanoi People's Committee on 22 January 2010, the Company is appointed as the developer of Hanoi Lotus Hotel Project which is located on a land area of approximately 40,484 m² with the estimated total investment capital of US\$ 250,000,000. At the same time, the Group is also obliged to construct a children playground in a rural, poor area in Hanoi with an estimated total investment value of US\$1,500,000.
- (ii) According to Decision No. 1526/QD-CT 17 December 2003 and Decision No. 971/QD-UBND 15 July 2009 of the People's Committee of Bac Ninh Province regarding the assignment of land to the Company for the development of Phuc Ninh New Urban Area Project, Bac Ninh town, Bac Ninh province, the Company is under an obligation to pay land use fees and other charges for the residential land area, commercial and public areas within the Phuc Ninh Residential Area. Accordingly, the Company was handed over with 49.53 hectare of land in 2010, completed the land marking for 47.2 hectare of land in 2013 with the People's Committee of Bac Ninh province and settled the land use fees of VND175,735,431,000 in accordance with the Decision No. 2229/QD-CT of Bac Ninh province at 23 December 2004 which approved the land use fee (phase 1) and the notice of payment of land use fee by the Tax Department of Bac Ninh Province. As at 30 June 2015, the Company is still in the process of completing the land use fee settlement to the People's Committee of Bac Ninh province for the above assigned land.
- (iii) From 2003 to 2014, the Company signed a number of land lease agreements with the People's Committee of Bac Ninh province for the land area at Que Vo I Industrial Park and the Extended Que Vo, which is 2,268,388.8 m² and 1,652,779 m² respectively. As at 30 June 2015, the Company is in the process of working with the competent authority to determine land rental obligations applicable to the Company. According to the Official Letter No. 323 / BTC-QLCS issued by the Ministry of Finance on 12 January 2015, Que Vo Industrial Park is entitled to land rent exemption for 11 years from the date the project is completed and put into operations.
- (iv) On 20 March 2013, the Department of Finance of Ho Chi Minh city sent a notice to Northwest Saigon City Development JSC advising the land rental rate at Tan Phu Trung Industrial Park of VND 5,940 per square metre for 2011 and 2012. However, Decision No. 2093/QD-BTC dated 23 November 2011 and Circular No. 16/2013/TT-BTC, which provides relief for business enterprises, confirmed that the land rental rate from 2011 to 2014 would not exceed two times of that applicable for 2010. Therefore, the company currently accrued the land rental fee payable in Tan Phu Trung Industrial Park for 2011, 2012 and 2013 with the amount of VND 2,359,623,014, which is based on the land rental rate of VND500/m² or two times higher than 2010 land rental fee which had been agreed by the People's Committee of Ho Chi Minh city under the land lease contract No. 2516/HD-TNMT-QHSDD dated 5 April 2007. At the same time, the company sent a letter to People's Committee of Ho Chi Minh City to request for a reduction in land rental rate which should not exceed two times of that applicable for 2010 in pursuant to the above documents. As at 30 June 2015, the Company is still in the process of finalising the land rental rate for the above land area with the People's Committee of Ho Chi Minh City.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

31. COMMITMENTS AND CONTINGENCIES (continued)

31.1 Commitments relating to real estate investment projects (continued)

Commitments relating to State (continued)

- (v) From 2011 to 2014, Saigon - Haiphong Industrial Park JSC signed land lease agreements with the People's Committee of Hai Phong City for the land area at Trang Due Industrial Park with a total land area of 1,541,648.7 m². Details of these land lease contracts include: Contract No. 04/HĐTD dated 17 January 2011 (for 1,363,473.2 m² land area), contract No.179/HĐTD dated 31 December 2013 (for 84,871.8 m² land area) and contract No.13 / HĐTD dated 17 February 2014 (for 93,303.7 m² land area). On 12 December 2014, the General Department of Taxation of Haiphong city issued Decision No. 4274 / QĐ-CT on land rent exemption for Saigon-Hai Phong Industrial Park JSC. Accordingly, the Company is exempted from land tax until September 2017, December 2023 and November 2057 for the land lease contract No. 04, No.13 and No.179 respectively. However, according to Investment Certificate No.02221000009 issued by Hai Phong Economic Zone Management Board on 29 November 2013, Company is exempted from land rental for the above land area. Therefore, the Company is in the process of working with the relevant government agencies to clarify the inconsistency in the above legal documents.
- (vi) From 2008 to 2010, Saigon – Bac Giang Industrial Park JSC signed land lease agreements with the People's Committee of Bac Giang province for a total land area of 3,577,274 m² at Quang Chau Industrial Park. As at 30 June 2015, the company is still in the process of working with the competent authority to determine the land rental obligations applicable to the Company. According to the second Investment Certificate dated 12 September 2014, Quang Chau Industrial Zone is entitled to land rental exemption for 6 years during the development of the industrial zone and another 7 years from the date the project is completed and put into operations.

Capital expenditure commitments

As at 30 June 2015, Company and its subsidiaries have contracts related to the construction and development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh urban area, Quang Chau urban area, Trang Due industrial zone and Trang Cat urban area with a total value of approximately VND 547 billion.

31.2 Guarantee and collaterals

The Group has the following contingent liabilities related to its guarantees as at 30 June 2015:

Guarantee under the mortgage contract with PVCombank:

As disclosed in Note 9, Trang Cat One Member Urban Development Company Limited ("Trang Cat Company") has signed mortgage contract No. 0202/2013/HĐTC-DN dated 22 February 2013 with PVCombank to guarantee for payment obligations of third parties. According to which, Trang Cat Company has agreed to pledge part of its assets related to the Trang Cat Urban and Service Zone Project ("the Project") to guarantee for the loans, trust investment, corporate bonds and other contractual obligations of the Group, its subsidiaries, associates and other companies.

Commitment with Bank for Investment and Development of Vietnam

Under the Agreement to extend the bond period dated 27 December 2014 between the Company and Bank for Investment and Development of Vietnam, the Company committed to support Saigon- Quy Nhon Mineral Joint Stock Company and a group of related companies in the payment obligations with the Bank.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

31. COMMITMENTS AND CONTINGENCIES (continued)

31.3 Disputes

Disputes with VTC Wireless Telecommunications Company

Under the Business Cooperation Agreement dated 12 February 2008 between the VTC Wireless Telecommunications Company ("VTC") and Saigon Telecommunication & Technologies Corporation and the Business Registration Certificate No. 0103025781 dated 11 July 2008, the registered charter capital of VTC - Saigontel Media Company is VND 160 billion, in which the Company's ownership interest is 19.2 %. Accordingly, the Company has transferred VND 30,700,200,000 (19.2% of charter capital) to Huu Nghi Communication JSC (the company authorized by VTC) on 10 March 2008 for VTC Wireless Telecommunications Company to purchase assets for VTC - Saigontel Media Corporation. However, VTC has not completed the purchase of assets for VTC – Saigontel Media Company as committed. Therefore, the Company is currently in the process of working with VTC to recall this investment. The Group's management has assessed that this investment will be collected from the VTC and therefore, no provision has been made for the investment in VTC – Saigontel Media Company.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

32. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the consolidated financial statements for the year ended 31 December 2014 have been reclassified to reflect the presentation of the current period's interim consolidated financial statements in accordance with Circular 200. Details are as follows:

Currency: VND

<i>Code</i>	<i>Items</i>	<i>Note</i>	<i>31 December 2014 (previously presented)</i>	<i>Reclassification</i>	<i>31 December 2014 (reclassified)</i>
	Consolidated balance sheet				
131	Short-term trade receivables	(i)	710,633,068,859	(47,483,747,000)	663,149,321,859
135	Short-term loan receivables	(ii)	-	62,790,991,000	62,790,991,000
136	Other short-term receivables	(iii)	804,193,496,379	2,952,300,357	807,145,796,736
158	Other current assets	(iv)	36,553,395,357	(36,553,395,357)	-
211	Long-term trade receivables	(v)	461,757,137,391	3,608,451,000	465,365,588,391
215	Long-term loan receivables	(vi)	-	14,685,400,000	14,685,400,000
216	Other long-term receivables	(vii)	86,000,000	269,000,000	355,000,000
261	Long-term prepaid expenses	(viii)	22,320,584,962	(19,206,419,829)	3,114,165,133
268	Other long-term assets	(ix)	60,000,000	(60,000,000)	-
315	Short-term accrued expenses	(x)	1,423,632,597,189	(573,779,452,057)	849,853,145,132
319	Other short-term payables	(xi)	240,332,662,093	(36,109,929,631)	204,222,732,462
320	Short-term loan and finance lease	(xii)	998,211,850,989	18,609,929,631	1,016,821,780,620
333	Long-term accrued expenses	(x)	-	573,779,452,057	573,779,452,057
337	Other long-term liabilities	(xiii)	45,522,272,982	16,548,032,038	62,070,305,020
338	Long-term loans and finance lease obligations	(xiv)	3,054,659,342,874	(905,047,419,829)	2,149,611,923,045
339	Convertible bonds	(xiv)	-	886,050,000,000	886,050,000,000
342	Other long-term provisions	(xv)	-	951,967,962	951,967,962
	Interim consolidated cash flows				
09	Decrease in receivables	(xvi)	164,536,715,232	(15,304,161,074)	149,232,554,158
15	Other cash inflows from operating activities	(xvi)	6,249,293,886	(6,249,293,886)	-
16	Other cash outflows from operating activities	(xvi)	(21,553,454,960)	21,553,454,960	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

32. RECLASSIFICATION OF CORRESPONDING FIGURES (continued)

- (i) Reclassify from short-term receivables into long-term receivables from customers and reclassify the receivables from Kumba JSC (for transfer of shares) from short-term trade receivables to other short-term receivables;
- (ii) These are loans of the Group to other entities, which are reclassified from other short-term receivables to short-term loan receivables;
- (iii) These are other short-term receivables reclassified to loan receivables, and to reclassify receivables from Kumba JSC (for transfer of shares) from short-term trade receivables to other short-term receivables;
- (iv) These are advances to employees and deposits reclassified into other short-term receivables;
- (v) These are long-term receivables of Northwest Saigon City Development JSC, which are reclassified to long-term trade receivables;
- (vi) These are loans of KinhBac City Development Holding Corporation to other entities, which are reclassified from other short-term receivables to short-term loan receivables;
- (vii) These are deposits, which are reclassified from other long-term current assets to other long-term receivables;
- (viii) This is the convertible bond issue costs and bond guarantee fee which are deducted against long-term loans and finance leases;
- (ix) These are deposits to supplier, which are reclassified from other long-term current assets to other long-term receivables;
- (x) These are accrual of loan interest of bond 003, 004, 006 and 007, which is reclassified from short-term accrued expenses to long-term accrued expenses after agreement with the bondholders;
- (xi) These are non-interest bearing loans, which are reclassified to short-term loan and finance lease;
- (xii) These are non-interest bearing loans from other entities, which are reclassified from other short-term payables to short-term loans and finance lease;
- (xiii) These are deposits from customers, which are reclassified from other short-term payables;
- (xiv) These are loan principal and convertible bond issued costs, which are reclassified to convertible bond;
- (xv) There are provision of severance allowance, which is reclassified to long-term provision; and
- (xvi) These are deposits which are reclassified from "Other cash outflows from operating activities" to "Decrease in receivables".

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2015

33. EVENTS AFTER THE BALANCE SHEET DATE


There is no matter or circumstance that has arisen since the interim consolidated balance sheet date that requires adjustment or disclosure in the interim consolidated financial statements of the Group.



Vu Thanh Diu
Preparer



Pham Phuc Hieu
Chief Accountant



Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

28 August 2015