

Investment and Trading of Real Estate Joint Stock Company

Interim consolidated financial statements

30 June 2014

Investment and Trading of Real Estate Joint Stock Company

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Investment and Trading of Real Estate Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company established in Vietnam in accordance with the Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange with trading code as ITC in accordance with Decision No. 115/QĐ-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The Company's current principal activities are to invest and trade real estate properties and provide related services; to execute civil construction works and industrial projects and interior decoration; to construct infrastructure of urban areas and industrial parks, site levelling, bridges and roads and water drainage system; to invest in construction of public projects, tourist and entertainment areas; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Company's registered office is located at No. 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

SIGNIFICANT EVENT

In 2014, the Company entered into an agreement with a local investor to transfer land which is located at 146 Nguyen Van Troi Street and 223 Hoang Van Thu Street, Phu Nhuan District, Ho Chi Minh City and the associated assets ("the Project") at the contract price of VND 260,000,000,000 inclusive of Value Added Tax. As at the date of this report, the risks and rewards of this project's ownership have been transferred to the new investor.

BOARD OF DIRECTORS

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

Mr. Nguyen Thuc Quang	Chairman
Mr. Truong Minh Thuan	Member
Mr. Le Tuan	Member
Ms. Duong Thanh Thuy	Member
Ms. Le Thi Khanh Xuong	Member

BOARD OF SUPERVISION

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

Ms. Pham Thi Hong Lien	Head of the Board of Supervision
Mr. Le Quang Son	Member
Ms. Ho Thi Luu	Member

Investment and Trading of Real Estate Joint Stock Company

GENERAL INFORMATION (continued)

MANAGEMENT

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

Mr. Truong Minh Thuan	General Director
Mr. Nguyen Ba Dai	Deputy General Director
Mr. Doan Huu Chi	Deputy General Director cum Chief Accountant

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Truong Minh Thuan.

AUDITORS

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

Investment and Trading of Real Estate Joint Stock Company

REPORT OF MANAGEMENT

Management of Investment and Trading of Real Estate Joint Stock Company ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiary ("the Group") for the six-month period ended 30 June 2014.

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

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 interim consolidated results of its operations and its interim consolidated cash flows for the period. 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 applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2014 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 Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

For and on behalf of the management 


Trương Minh Thuận
General Director

27 August 2014

Reference: 60792124/16997733

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: The Shareholders of Investment and Trading of Real Estate Joint Stock Company

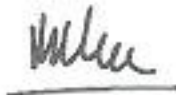
We have reviewed the interim consolidated financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") and its subsidiary ("the Group") as set out on pages 5 to 41 which comprise the interim consolidated balance sheet as at 30 June 2014, and the interim consolidated income statement and 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 No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of the Company'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 2014, 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 Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

Ernst & Young Vietnam Limited



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



To Phuong Vu
Auditor
Audit Practicing Registration Certificate
No. 2267-2013-004-1

Ho Chi Minh City, Vietnam

27 August 2014

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2014

VND

Code	ASSETS	Notes	30 June 2014	31 December 2013
100	A. CURRENT ASSETS		1,890,278,571,543	1,901,045,394,671
110	<i>I. Cash</i>	4	3,216,776,693	2,600,471,968
111	1. Cash		3,216,776,693	2,600,471,968
130	<i>II. Current accounts receivable</i>		163,380,539,845	223,097,868,387
131	1. Trade receivables	5	47,486,640,203	61,814,290,481
132	2. Advances to suppliers	6	84,167,442,459	93,776,286,721
135	3. Other receivables	7	49,197,438,153	86,697,659,553
139	4. Provision for doubtful debts	5, 7	(17,470,980,970)	(19,190,368,368)
140	<i>III. Inventories</i>	8	1,718,160,001,696	1,669,990,001,007
141	1. Inventories		2,041,631,785,357	1,993,461,784,668
149	2. Provision for inventories		(323,471,783,661)	(323,471,783,661)
150	<i>IV. Other current assets</i>		5,521,253,309	5,357,053,309
151	1. Short-term prepaid expenses		386,570,209	386,570,209
158	2. Other current assets		5,134,683,100	4,970,483,100
200	B. NON-CURRENT ASSETS		406,547,832,106	416,138,426,300
220	<i>I. Fixed assets</i>		55,353,768,205	58,419,480,244
221	1. Tangible fixed assets	9	17,780,689,955	18,637,991,107
222	Cost		42,571,619,598	42,571,619,598
223	Accumulated depreciation		(24,790,929,643)	(23,933,628,491)
227	2. Intangible fixed assets	10	37,573,078,250	37,573,078,250
228	Cost		37,610,778,250	37,610,778,250
229	Accumulated amortisation		(37,700,000)	(37,700,000)
230	3. Construction in progress		-	2,208,410,887
240	<i>II. Investment properties</i>	11	73,562,104,596	77,279,816,603
241	1. Cost		89,061,214,369	91,381,942,544
242	2. Accumulated depreciation		(15,499,109,773)	(14,102,125,941)
250	<i>III. Long-term investments</i>	12	273,961,598,238	276,303,207,711
252	1. Investments in associates	12.1	235,131,278,238	235,272,887,711
258	2. Other long-term investments	12.2	47,755,320,000	49,955,320,000
259	3. Provision for long-term investments	12.2	(8,925,000,000)	(8,925,000,000)
260	<i>IV. Other long-term assets</i>		3,670,361,067	4,135,921,742
261	1. Long-term prepaid expenses		140,118,406	674,394,057
262	2. Deferred tax assets	25.2	3,468,242,661	3,399,527,685
268	3. Other long-term assets		62,000,000	62,000,000
270	TOTAL ASSETS		2,296,826,403,649	2,317,183,820,971

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

VND

Code	RESOURCES	Notes	30 June 2014	31 December 2013
300	A. LIABILITIES		831,161,235,139	837,896,096,877
310	i. Current liabilities		675,959,195,512	666,907,715,024
311	1. Short-term loans	14	232,462,072,264	258,526,721,800
312	2. Trade payables		34,279,731,411	37,010,362,796
313	3. Advances from customers	15	303,160,926,774	259,412,930,125
314	4. Statutory obligations	16	43,329,682,153	50,881,688,848
315	5. Payables to employees		1,116,593,499	1,488,126,250
316	6. Accrued expenses	17	7,254,349,490	16,090,004,701
319	7. Other payables	18	46,444,491,015	34,207,690,252
320	8. Short-term provision		1,952,421,704	1,934,364,647
338	9. Unearned revenue		6,118,261,883	7,494,160,123
323	10. Bonus and welfare fund		(159,334,681)	(138,334,518)
330	ii. Non-current liabilities		155,202,039,627	170,988,381,853
333	1. Other long-term liabilities		4,895,737,294	4,971,079,520
334	2. Long-term loans	19	150,306,302,333	166,017,302,333
400	B. OWNERS' EQUITY	20.1	1,459,493,623,636	1,472,833,726,339
410	i. Capital		1,459,493,623,636	1,472,833,726,339
411	1. Share capital		690,866,880,000	690,866,880,000
412	2. Share premium		974,114,436,600	974,114,436,600
414	3. Treasury shares		(9,825,117,611)	(9,825,117,611)
417	4. Investment and development fund		30,640,486,547	30,640,486,547
418	5. Financial reserve fund		26,907,517,340	26,907,517,340
420	6. Accumulated losses		(253,210,579,240)	(239,870,476,537)
439	C. MINORITY INTERESTS		6,171,544,874	6,453,997,755
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,296,826,403,649	2,317,183,820,971


Pham Van Khanh
Preparer


Doan Huu Chi
Chief Accountant


Trương Minh Thuận
General Director

27 August 2014

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
01	1. Revenue from sale of goods and rendering of services	21.1	52,774,385,322	151,086,513,680
10	2. Net revenue from sale of goods and rendering of services		52,774,385,322	151,086,513,680
11	3. Cost of goods sold and services rendered	22	(55,468,200,229)	(126,524,973,120)
20	4. Gross (loss) profit from sale of goods and rendering of services		(2,693,814,907)	24,561,540,560
21	5. Financial income	21.2	6,443,055,373	2,262,987,400
22	6. Financial expenses	23	(15,931,235,113)	(20,505,337,504)
23	- In which: Interest expense		(15,076,442,931)	(19,183,858,861)
24	7. Selling expenses		(87,095,248)	(132,578,265)
25	8. General and administration expenses		(7,655,740,254)	(15,960,143,059)
30	9. Operating loss		(19,924,830,149)	(9,773,530,868)
31	10. Other income	24	7,301,825,414	2,054,970,539
32	11. Other expenses	24	(868,399,260)	(3,244,648,468)
40	12. Other profit (loss)	24	6,433,426,154	(1,189,677,929)
44	13. Share of loss in associates	12.1	(141,609,473)	(538,433,290)
50	14. Loss before tax		(13,633,013,468)	(11,501,642,087)
51	15. Current corporate income tax expense	25.1	(58,257,092)	(125,890,022)
52	16. Deferred income tax benefit (expense)	25.2	68,714,976	(392,549,747)
60	17. Net loss after tax		(13,622,555,584)	(12,020,081,856)
	Attributable to:			
	17.1 Minority interests		(282,452,881)	(291,886,938)
	17.2 Equity holders to the parent		(13,340,102,703)	(11,728,194,918)
70	18. Basic and diluted losses per share (VND/share)	20.4	(194)	(171)


 Pham Van Khanh
Preparer


 Doan Huu Chi
Chief Accountant


 Nguyễn Minh Thuận
General Director

27 August 2014

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Loss before tax		(13,633,013,468)	(11,501,642,087)
	Adjustments for:			
02	Depreciation and amortisation	9,10,11	2,623,888,154	1,688,572,117
03	Provisions		(1,719,387,398)	4,479,458,247
05	Profits from investing activities		(5,547,657,037)	(802,073,067)
06	Interest expense	23	15,076,442,931	19,183,858,861
08	Operating (loss) profit before changes in working capital		(3,199,726,818)	13,048,174,071
09	Decrease in receivables		58,524,909,758	78,640,734,043
10	Increase in inventories		(44,010,464,797)	(53,763,579,800)
11	Increase (decrease) in payables		60,567,075,369	(3,510,804,478)
12	Decrease in prepaid expenses		534,275,651	726,970,606
13	Interest paid		(33,757,126,761)	(19,751,898,472)
14	Corporate income tax paid	25.1	(6,882,860,670)	(10,815,224,760)
16	Other cash outflows from operating activities		(21,000,163)	(470,773,944)
20	Net cash flows from operating activities		31,755,081,569	4,103,597,266
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
22	Proceeds from disposals of fixed assets	24	-	954,545,454
26	Proceeds from sale of investments in other entities		9,693,546,000	13,835,000,000
27	Interest and dividend received		943,326,692	1,501,533,400
30	Net cash flows from investing activities		10,636,872,692	16,291,078,854
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		14,300,000,000	123,344,153,085
34	Repayment of borrowings		(56,075,649,536)	(148,149,281,095)
36	Dividends paid		-	(285,000)
40	Net cash flows used in financing activities		(41,775,649,536)	(24,805,413,010)

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
50	Net increase (decrease) in cash		616,304,725	(4,410,736,890)
60	Cash at beginning of period	4	2,600,471,968	12,021,714,472
70	Cash at end of period	4	3,216,776,693	7,610,977,582



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

27 August 2014

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at and for the six-month period ended 30 June 2014

1. CORPORATE INFORMATION

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company established in Vietnam in accordance with the Business Registration Certificate No. 4103000250 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 December 2000, as amended. The Company has emerged from the equitization of Investment and Trading of Real Estate Company, which was a wholly owned subsidiary of Saigon Real Estate Corporation.

The Company was listed on the Ho Chi Minh Stock Exchange with trading code as ITC in accordance with Decision No. 115/QĐ-SGDHCM issued by the Ho Chi Minh Stock Exchange on 24 September 2009.

The Company's current principal activities are to invest and trade real estate properties and provide related services; to execute civil construction works and industrial projects and interior decoration; to construct infrastructure of urban areas and industrial parks, site levelling, bridges and roads and water drainage system; to invest in construction of public projects, tourist and entertainment areas; and to provide real estate brokerage and valuation services, and real estate trading centre and management.

The Head office of the Company is located at No. 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

The Company has a subsidiary named Intresco Construction Joint Stock Company ("IC"). IC is a shareholding company in which the Company holds 85% ownership interest was established in accordance with Business Registration Certificate No. 0310626100 and issued by the Department of Planning and Investment of Ho Chi Minh City on 14 February 2011. IC's registered office is located at 18 Nguyen Binh Khiem street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

IC's principal activities are to construct civil and industrial projects; and to invest and construct infrastructure of residential areas and construction-related services.

The number of the Group's employees as at 30 June 2014 was 263 (31 December 2013: 174).

2. BASIS OF PREPARATION

2.1 Accounting standards and system

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

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

Accordingly, the accompanying 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.

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

2. BASIS OF PREPARATION (continued)

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

The 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 interim financial statements of the Company and its subsidiary for the six-month period ended 30 June 2014.

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprises cash on hand and cash in banks.

3.2 Inventories

Inventories properties

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

Cost includes:

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Inventories (continued)

Other inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials	- cost of purchase on a weighted average basis.
Work-in-process	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, work-in-process, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the interim consolidated income statement.

3.3 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.

3.4 Fixed assets

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and amortisation.

The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the fixed asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalised and expenditures for maintenance and repairs are charged to the interim consolidated income statement as incurred. When fixed assets are sold or retired, their cost and accumulated depreciation or 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.

Land use rights

Land use right is recorded as an intangible fixed asset on the interim consolidated balance sheet when the Group obtained the land use right certificates. The costs of land use right comprise all directly attributable costs of bringing the land to the condition available for intended use and is not amortised due to having indefinite useful life.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Depreciation and amortisation

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

Buildings and structures	10 – 25 years
Machinery and equipment	2 – 10 years
Motor vehicles	5 – 10 years
Office equipment	3 – 5 years
Computer software	3 years

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

3.6 Investment properties

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

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

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

Buildings	25 – 50 years
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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.

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

3.7 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.

3.8 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 benefits are generated in relation to these expenses.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Investment in associates

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that are neither subsidiary nor joint venture. 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 and is amortized over 10-year period. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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 recognized 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 period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3.10 Investments in securities and other investments

Investments in securities and other investments are stated at their acquisition costs. Provision is made for any diminution in value of the marketable investments at the interim consolidated balance sheet date representing the excess of the acquisition cost over the market value at that date in accordance with the guidance under Circular No. 89/2013/TT-BTC issued by the Ministry of Finance on 28 June 2013 that is amending and supplementing Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. Increases and decreases to the provision balance are recorded as finance expenses in the interim consolidated income statement.

3.11 Payables and accruals

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

3.12 Accrual for severance pay

The severance pay to employee is accrued at the end of each reporting period for all employees who have 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. Commencing 1 January 2009, 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.

3.13 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Earnings (losses) per share

Basic earnings (losses) per share amounts are calculated by dividing net earning (loss) after tax for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings (losses) per share amounts are calculated by dividing the net earning (loss) after tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.15 Treasury shares

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

3.16 Appropriation of net profit

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

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

Financial reserve fund

This fund is set aside to protect the Group's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

Investment and development fund

This fund is set aside for use in the Group's expansion of its operation or in-depth investments.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' material and spiritual benefits.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.17 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Construction contract

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the amount of work completed and certified by customers at the balance sheet date. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

Rental income

Rental income receivable under operating leases is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, management is reasonably certain that the tenant will exercise that option.

Premiums received to terminate leases are recognized in the interim consolidated income statement when they arise.

Sale of completed property

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

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.

3.18 Taxation*Current income tax*

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation (continued)*

Deferred income tax

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

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

Deferred tax is charged or credited to the 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.

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

3.19 *Financial instruments*

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the interim consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

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

The Group's financial assets include cash, trade and other receivables and unquoted financial instruments.

Financial liabilities

Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the interim consolidated financial statements, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

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

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

Financial instruments – subsequent re-measurement

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the interim consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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

4. CASH

	VND	
	30 June 2014	31 December 2013
Cash on hand	2,000,127,171	859,915,353
Cash in banks	1,216,649,522	1,740,556,615
TOTAL	3,216,776,693	2,600,471,968

5. TRADE RECEIVABLES

	VND	
	30 June 2014	31 December 2013
Receivables from sale of land lots and apartments (*)	12,674,835,205	21,490,127,209
Receivables from construction services	19,512,059,702	24,968,354,254
Receivables from Hai Au Concrete Joint Stock Company	9,826,095,208	9,826,095,208
Others	5,473,650,088	5,529,713,810
TOTAL	47,486,640,203	61,814,290,481
Provision for doubtful debts	(14,809,920,970)	(16,529,308,368)
NET	32,676,719,233	45,284,982,113

(*) Receivables from sale of land lots and apartments mainly represent the remaining 5% - 10% of the contract price pending the completion of the legal procedure to hand over ownership rights to the customers. Details by projects are as follows:

	VND	
	30 June 2014	31 December 2013
An Khang building	4,854,385,681	5,810,857,333
Phong Phu Project	2,948,826,700	3,872,903,450
Thinh Vuong building	2,798,099,824	6,628,507,281
Lot 7 - 6B Project	1,665,841,000	3,177,212,920
Binh Hoa Project	407,682,000	1,309,698,225
An Cu Building	-	690,948,000
TOTAL	12,674,835,205	21,490,127,209

Details of movements of provision for doubtful debts are as follows:

	VND	
	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
At beginning of period	16,529,308,368	10,250,525,211
Provision during the period	-	4,859,395,759
Reversal of provision during the period	(1,719,387,398)	(200,000,000)
At end of period	14,809,920,970	14,909,920,970

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014**6. ADVANCES TO SUPPLIERS**

Advances to suppliers represent non-interest bearing advances to sub-contractors related to the following real estate projects:

	VND	
	30 June 2014	31 December 2013
Lot 6 & 7 - 6B Project	26,889,125,181	32,240,233,431
Thien Phu, Dak Nong Project	20,200,000,248	20,000,000,000
Long Binh Ward – District 9 Project	19,899,197,600	19,899,197,600
Others	17,179,119,430	21,636,855,690
TOTAL	<u>84,167,442,459</u>	<u>93,776,286,721</u>

7. OTHER RECEIVABLES

	VND	
	30 June 2014	31 December 2013
Withdrawal of investments in real estate projects of the following entities:		
<i>Saigon Cho Lon Investment & Real Estate Joint Stock Company</i>	35,250,000,000	48,050,000,000
<i>May Thang Long Joint Stock Company</i>	17,850,000,000	18,850,000,000
<i>Tan Tao Construction & Trading Co., Ltd</i>	12,000,000,000	12,000,000,000
<i>Saigon Infrastructure Development Joint Stock Company</i>	5,400,000,000	7,200,000,000
<i>Joint Stock Company</i>	-	10,000,000,000
Receivable from a related party (Note 26)	1,592,901,607	1,924,101,607
Receivable from selling Tang Nhon Phu Project – phase 1	809,640,000	24,044,636,422
Others	11,544,896,546	12,678,921,524
TOTAL	<u>49,197,438,153</u>	<u>86,697,659,553</u>
Provision for doubtful debts	<u>(2,661,060,000)</u>	<u>(2,661,060,000)</u>
NET	<u>46,536,378,153</u>	<u>84,036,599,553</u>

8. INVENTORIES

	VND	
	30 June 2014	31 December 2013
Real estate properties and construction projects in progress (*)	2,041,631,785,357	1,993,461,784,668
Provision for inventories (**)	<u>(323,471,783,661)</u>	<u>(323,471,783,661)</u>
NET	<u>1,718,160,001,696</u>	<u>1,669,990,001,007</u>

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

8. INVENTORIES (continued)

- (*) Real estate properties and construction projects in process included costs incurred for the following on-going real estate and construction projects:

	VND	
	30 June 2014	31 December 2013
Long Thoi - Nha Be Project (i)	824,485,944,862	783,840,781,590
146 Nguyen Van Troi and 223 Hoang Van Thu, Phu Nhuan Project (ii)	555,996,600,165	550,932,490,558
106 Ly Chinh Thang Building (iii)	216,029,368,996	213,223,716,052
Long Phuoc, District 9 Project	114,950,492,919	128,041,872,919
6A Project	125,932,763,654	125,865,922,342
Lot 4, 6 & 8 - 6B Project	78,718,702,536	80,079,885,238
Tang Nhon Phu Project	33,726,755,232	30,735,986,018
Binh Trung Dong – District 2 Project	28,848,790,056	28,848,790,056
Others	62,942,366,937	51,892,339,897
TOTAL	<u>2,041,631,785,357</u>	<u>1,993,461,784,668</u>

- (i) Land use right of 39,228 square meters on total land of 155,365 square meters at Long Phuoc, District 9 Project was pledged to obtain the loan from Gia Dinh Development Investment Corporation (Note 14).
- (ii) Land use right at No. 146 Nguyen Van Troi Street, Phu Nhuan District and 223 Hoang Van Thu street, Phu Nhuan District were pledged to obtain the loan from Saigon Thuong Tin Commercial Joint Stock Bank – District 4 branch (Note 19).
- (iii) Land use right at No. 106 Ly Chinh Thang Street, District 3 was pledged to obtain the loan from Bank for Investment and Development of Vietnam JSC (Notes 14 and 19).
- (**) Included in the provision of inventories, there is a loss provision amounting to VND 310,145,210,809 made for 146 Nguyen Van Troi, Phu Nhuan Project representing the difference between the carrying value and net realisable value of this project. The net realisable value was determined based on the Company's Arrangement with a local investor to transfer the land and associated assets of the said project for a total consideration of VND 260,000,000,000 including Value Added Tax Payable.

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	VND Total
Cost:					
As at 31 December 2013 and 30 June 2014	30,007,311,638	5,497,464,637	5,657,467,366	1,409,375,957	42,571,619,598
Accumulated depreciation:					
As at 31 December 2013	13,443,075,564	5,032,105,897	4,137,367,622	1,321,079,408	23,933,628,491
Depreciation for the period	513,739,116	264,861,747	239,891,838	30,982,352	1,049,475,053
Adjustments	-	(122,772,315)	(69,401,586)	-	(192,173,901)
As at 30 June 2014	13,956,814,680	5,174,195,329	4,307,857,874	1,352,061,760	24,790,929,643
Net carrying amount:					
As at 31 December 2013	16,564,236,074	465,358,740	1,520,099,744	88,296,549	18,637,991,107
As at 30 June 2014	16,050,496,958	323,269,308	1,349,609,492	57,314,197	17,780,689,955

Investment and Trading of Real Estate Joint Stock Company B09a-DN/HN

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

10. INTANGIBLE FIXED ASSETS

			VND
	<i>Indefinite land use right (*)</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
As at 31 December 2013 and 30 June 2014	<u>37,573,078,250</u>	<u>37,700,000</u>	<u>37,610,778,250</u>
Accumulated amortisation:			
As at 31 December 2013 and 30 June 2014	<u>-</u>	<u>37,700,000</u>	<u>37,700,000</u>
Net carrying amount:			
As at 31 December 2013 and 30 June 2014	<u>37,573,078,250</u>	<u>-</u>	<u>37,573,078,250</u>

(*) Land use rights at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1 and No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1 with carrying value of VND 26,471,477,820 and VND 11,101,600,430, respectively, were pledged to obtain the loans from commercial banks (Notes 14).

11. INVESTMENT PROPERTIES

			VND
	<i>Buildings</i>	<i>Houses</i>	<i>Total</i>
Cost:			
As at 31 December 2013	89,723,082,708	1,658,859,836	91,381,942,544
Decrease	<u>(2,320,728,175)</u>	<u>-</u>	<u>(2,320,728,175)</u>
As at 30 June 2014	<u>87,402,354,533</u>	<u>1,658,859,836</u>	<u>89,061,214,369</u>
Accumulated depreciation:			
As at 31 December 2013	12,443,266,105	1,658,859,836	14,102,125,941
Depreciation for the period	1,766,587,002	-	1,766,587,002
Decrease	<u>(369,603,170)</u>	<u>-</u>	<u>(369,603,170)</u>
As at 30 June 2014	<u>13,840,249,937</u>	<u>1,658,859,836</u>	<u>15,499,109,773</u>
Net carrying amount:			
As at 31 December 2013	<u>77,279,816,603</u>	<u>-</u>	<u>77,279,816,603</u>
As at 30 June 2014	<u>73,562,104,596</u>	<u>-</u>	<u>73,562,104,596</u>

The fair value of the investment properties had not yet been formally assessed and determined as at 30 June 2014. However, given that these properties are currently leased out and income generating, it is management's assessment that these properties' market values are still higher than their carrying value as at balance sheet date.

Investment and Trading of Real Estate Joint Stock Company B09a-DN/HN

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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12. LONG-TERM INVESTMENTS

		VND
	30 June 2014	31 December 2013
Investments in associates	235,131,278,238	235,272,887,711
Other long-term investments	47,755,320,000	49,955,320,000
<i>Long-term securities</i>	47,755,320,000	49,955,320,000
Provision for long-term investments	(8,925,000,000)	(8,925,000,000)
NET	273,961,598,238	276,303,207,711

12.1 Investments in associates

	<i>% of interest</i>	
	30 June 2014	31 December 2013
Pham Gia Construction Limited Company	46.19	46.19
Sai Gon Binh Duong Joint stock Company	22.49	22.49
Long Binh Construction – Trading – Producing Joint Stock Company	36.36	36.36

Pham Gia Construction Limited Company ("PG") is a limited liability company established in accordance with the Business Registration Certificate No. 0302535114 issued by the Department of Planning and Investment of Ho Chi Minh City on 29 January 2002. PG's registered office is located at E7/189A High Way 50, Da Phuoc Commune, Binh Chanh District, Ho Chi Minh City, Vietnam. PG's principal activities are to construct civil and industrial projects, to manufacture construction materials; and trade housing and related services.

Saigon Binh Duong Joint Stock Company ("SGBD") is a shareholding company established in accordance with the Business Registration Certificate No. 3701647922 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 November 2009. SGBD's registered office is located at 11 Ngo Van Tri Street, Ward 2, Thu Dau Mot Town, Binh Duong Province, Vietnam. SGBD's principal activities are to manufacture and sell construction materials; to trade real estate properties and related services.

Long Binh Construction – Trading – Producing Joint Stock Company ("LB") is a shareholding company established in accordance with the Business Registration Certificate No. 4103001780 issued by the Department of Planning and Investment of Ho Chi Minh City on 28 April 1999, as amended. LB's registered office is located at 918-920 Nguyen Trai Street, Ward 14, District 5, Ho Chi Minh City, Vietnam. LB's principal activities are to manufacture and sell construction materials; to trade real estate properties and related services; and to provide warehousing and forwarding services.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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12. LONG-TERM INVESTMENTS (continued)

12.1 Investments in associates (continued)

Details of these investments in associates as at 30 June 2014 are presented as follows:

	PG	SGBD	LB	VND Total
Cost of investments:				
As at 31 December 2013 and 30 June 2014	150,968,925,000	67,480,013,645	21,000,000,000	239,448,938,645
Accumulated share in post-acquisition loss of the associates:				
As at 31 December 2013	-	(2,533,468,006)	(1,642,582,928)	(4,176,050,934)
Share in post-acquisition profit (loss) of the associates for the period	-	(144,922,799)	3,313,326	(141,609,473)
As at 30 June 2014	-	(2,678,390,805)	(1,639,269,602)	(4,317,660,407)
Carrying amount:				
As at 31 December 2013	150,968,925,000	64,946,545,639	19,357,417,072	235,272,887,711
As at 30 June 2014	150,968,925,000	64,801,622,840	19,360,730,398	235,131,278,238

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

12. LONG-TERM INVESTMENTS (continued)

12.2 Other long-term investments

	30 June 2014		31 December 2013	
	Number of shares	Amounts (VND)	Number of shares	Amounts (VND)
Gia Dinh Development Investment Corporation	2,125,000	34,000,000,000	2,125,000	34,000,000,000
Bac Trung Nam Housing Development Corporation	54,665	5,466,500,000	54,665	5,466,500,000
Saigon Construction & Development Corporation	50,000	5,000,000,000	50,000	5,000,000,000
Saigon Mangden Joint Stock Company	310,000	3,100,000,000	310,000	3,100,000,000
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	-	188,820,000	18,882	188,820,000
Saigon Infrastructure Development Joint Stock Company	-	-	22,000	2,200,000,000
TOTAL		47,755,320,000		49,955,320,000
Provision for long-term investments		(8,925,000,000)		(8,925,000,000)
NET		38,830,320,000		41,030,320,000

13. BORROWING COSTS

	VND	
	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
Interest expense (Note 23)	15,076,442,931	19,183,858,861
Capitalized as part of cost of real estate projects	10,541,813,719	13,799,731,290
TOTAL	25,618,256,650	32,983,590,151

14. SHORT-TERM LOANS

	VND	
	30 June 2014	31 December 2013
Bank loans	77,025,143,138	78,525,142,674
Loans from other organizations	56,000,000,000	57,000,000,000
Loans from individuals	14,733,564,000	16,430,214,000
Current portion of long-term loan (Note 19)	84,703,365,126	106,571,365,126
TOTAL	232,462,072,264	258,526,721,800

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

14. SHORT-TERM LOANS (continued)

Details of bank loans are as follows:

Lenders	30 Jun 2014	Principal repayment term	Purpose	Interest rate	Description of collateral
	VND			% p.a.	
Bank for Investment and Development of Vietnam JSC					
Loan Contract No. 71/2012/HD/9351 2 dated 10 August 2012	3,025,143,138	From 4 August 2014 to 26 January 2015	To finance working capital	11	Land use right at No. 106 Ly Chinh Thang Street, District 3, Ho Chi Minh City (Note 8)
Lien Viet Post Joint Stock Commercial Bank					
Loan Contract No. 092- 12/HDHMTD- LienvietPostBank -HCM dated 7 June 2012	37,000,000,000	From 29 July 2014 to 12 February 2015	To finance working capital	10.5 to 12.5	Land use right at No. 16 Nguyen Dinh Chieu Street, DaKao Ward, District 1, Ho Chi Minh City (Note 10)
Vietnam Bank for Agriculture and Rural Development					
Loan Contract No. 6220-LAV- 201100116/HDTD dated 17 February 2011	37,000,000,000	From 2 October 2014 to 21 November 2014	To finance working capital	11.5	Land use right at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 10)
TOTAL	<u>77,025,143,138</u>				

Investment and Trading of Real Estate Joint Stock Company B09a-DN/HN

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

14. SHORT-TERM LOANS (continued)

Details of loans from other organizations are as follows:

<i>Lenders</i>	<i>30 Jun 2014</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>VND</i>			<i>% p.a.</i>	
Saigon Trading Group (SATRA)					
Financial Investment Cooperation Contract No. 33/2008 dated 4 April 2008 and appendix 175/2013 dated 15 Apr 2013	6,000,000,000	1 July 2014	To finance working capital	12	Unsecured
Gia Dinh Development Investment Corporation					
Loan contract No. 376/DTKDN/HDVV dated 20 June 2011 and appendix 340/DTKDN/HDVV dated 21 June 2013	50,000,000,000	20 December 2014	To finance the compensation for Long Thoi project	10.5	Land use right at Long Phuoc, District 9 Project (Note 8)
TOTAL	<u>56,000,000,000</u>				

Loans from individuals represent unsecured short-term loans obtained from fourteen (14) individuals for the purpose of financing the land compensation of Long Thoi - Nha Be residential project for a period twelve (12) months and bear interest at the rate of 14% per annum.

15. ADVANCES FROM CUSTOMERS

Advances from customers are the amounts received on the sale of apartment units and land lots of the following projects:

	<i>VND</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>
3A Project	103,384,029,000	103,384,029,000
Lot 4, 6, 7 & 8 - 6B Project	87,658,022,636	92,462,253,696
146 Nguyen Van Troi, Phu Nhuan Project	64,694,520,548	5,000,000,000
Binh Trung Dong Project - District 2	10,082,708,000	10,082,708,000
Nhon Duc Commune, Nha Be District Project	-	11,000,000,000
Others	37,341,646,590	37,483,939,429
TOTAL	<u>303,160,926,774</u>	<u>259,412,930,125</u>

Investment and Trading of Real Estate Joint Stock Company B09a-DN/HN

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

16. STATUTORY OBLIGATIONS

	VND	
	30 June 2014	31 December 2013
Value-added tax	25,927,106,274	26,216,550,716
Corporate income tax (Note 25.1)	14,854,608,754	21,679,212,332
Personal income tax	195,443,999	189,266,198
Other taxes	<u>2,352,523,126</u>	<u>2,796,659,602</u>
TOTAL	<u>43,329,682,153</u>	<u>50,881,688,848</u>

17. ACCRUED EXPENSES

	VND	
	30 June 2014	31 December 2013
Interest expense	6,882,611,490	15,880,004,701
Others	<u>371,738,000</u>	<u>210,000,000</u>
TOTAL	<u>7,254,349,490</u>	<u>16,090,004,701</u>

18. OTHER PAYABLES

	VND	
	30 June 2014	31 December 2013
Land compensation for Long Thoi – Nha Be project payable to residents	15,501,650,298	3,450,875,298
Maintenance fees collected on behalf of apartment's management committee	10,509,878,005	15,354,516,088
Deposits received	7,188,926,017	6,623,318,344
Dividends payable	3,164,892,924	3,164,892,924
Others	<u>10,079,143,771</u>	<u>5,614,087,598</u>
TOTAL	<u>46,444,491,015</u>	<u>34,207,690,252</u>

19. LONG-TERM LOANS

	VND	
	30 June 2014	31 December 2013
Loan from banks	<u>235,009,667,459</u>	<u>272,588,667,459</u>
<i>In which</i>		
Current portion (Note 14)	84,703,365,126	106,571,365,126
Non-current portion	<u>150,306,302,333</u>	<u>166,017,302,333</u>

Investment and Trading of Real Estate Joint Stock Company B09a-DN/HN

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

19. LONG-TERM LOANS (continued)

Details of long-term bank loan are as follows:

<i>Lenders</i>	<i>30 June 2014</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	<i>VND</i>			<i>% p.a.</i>	

Saigon Thuong Tin Commercial Joint Stock Bank, District 4 Branch

Long-term loan agreement No. LDC731600005	140,315,000,000	12 November 2027	To finance purchase of houses and land at No. 146 Nguyen Van Troi street and No. 223 Hoang Van Thu street, Ho Chi Minh City and development and construction of building	Interest deposit for period of 13 months plus 0.45	Land use rights at No. 146 Nguyen Van Troi Street and No. 223 Hoang Van Thu, Phu Nhuan District, Ho Chi Minh City (Note 8)
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Bank for Investment and Development of Vietnam JSC

Loan Contract No. 01/2011/HD/93 512 dated 18 July 2011	94,694,667,459	17 June 2015 to 23 May 2016	To finance Long Thoi – Nha Be project	11 to 12	Land use right at No. 106 Ly Chinh Thang Street, District 3, Ho Chi Minh City (Note 8)
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TOTAL 235,009,667,459

In which:
Current portion 84,703,365,126

Investment and Trading of Real Estate Joint Stock Company

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

20. OWNERS' EQUITY

20.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings (Accumulated losses)	Total
For the six-month period ended 30 June 2013							
As at 31 December 2012	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,559,466,833	57,679,707,065	1,770,035,659,454
Net loss for the period	-	-	-	-	-	(11,728,194,918)	(11,728,194,918)
Profit appropriation	-	-	-	-	348,050,507	(348,050,507)	-
As at 30 June 2013	<u>690,866,880,000</u>	<u>974,114,436,600</u>	<u>(9,825,117,611)</u>	<u>30,640,486,547</u>	<u>26,907,517,340</u>	<u>45,603,461,660</u>	<u>1,758,307,664,536</u>
For the six-month period ended 30 June 2014							
As at 31 December 2013	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,907,517,340	(239,870,476,537)	1,472,833,726,339
Net loss for the period	-	-	-	-	-	(13,340,102,703)	(13,340,102,703)
As at 30 June 2014	<u>690,866,880,000</u>	<u>974,114,436,600</u>	<u>(9,825,117,611)</u>	<u>30,640,486,547</u>	<u>26,907,517,340</u>	<u>(253,210,579,240)</u>	<u>1,459,493,623,636</u>

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

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners and distribution of dividends and profits

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Contributed share capital	<u>690,866,880,000</u>	<u>690,866,880,000</u>
Dividends declared	-	-
Dividends paid	-	-

20.3 Shares - ordinary shares

	<i>30 June 2014</i>	<i>31 December 2013</i>
	<i>Shares</i>	<i>Shares</i>
Shares authorised to be issued	69,086,688	69,086,688
Shares issued and fully paid	68,646,328	68,646,328
<i>Ordinary shares</i>	<i>69,086,688</i>	<i>69,086,688</i>
<i>Treasury shares</i>	<i>(440,360)</i>	<i>(440,360)</i>

20.4 Basic and diluted losses per share

The following table shows the loss and share data used in the basic and diluted losses per share calculations:

	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Net loss attributable to ordinary equity holders of the Company (VND)	(13,340,102,703)	(11,728,194,918)
Weighted average number of ordinary shares (share)	<u>68,646,328</u>	<u>68,646,328</u>
Basic and diluted losses per share (VND/share)	<u>(194)</u>	<u>(171)</u>

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

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

21. REVENUE

21.1 Revenue from sale of goods and rendering of services

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Net revenue	<u>52,774,385,322</u>	<u>151,086,513,680</u>
<i>Of which:</i>		
<i>Revenue from construction contracts</i>	33,050,222,414	30,896,401,102
<i>Sale of real estate properties</i>	11,195,922,527	111,968,974,214
<i>Revenue from other services</i>	8,528,240,381	8,221,138,364

21.2 Financial income

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Gain from disposal of investments	5,632,000,000	-
Dividends received	772,062,000	1,919,323,000
Interest income	5,664,692	13,410,400
Others	33,328,681	330,254,000
TOTAL	<u>6,443,055,373</u>	<u>2,262,987,400</u>

22. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Cost of construction	33,084,851,806	28,810,503,949
Cost of real estate properties	18,611,023,789	92,694,591,757
Cost of services rendered	3,772,324,634	5,019,877,414
TOTAL	<u>55,468,200,229</u>	<u>126,524,973,120</u>

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

23. FINANCIAL EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Interest expense (Note 13)	15,076,442,931	19,183,858,861
Loss from disposal of investment	720,460,182	1,300,000,000
Others	134,332,000	21,478,643
TOTAL	<u>15,931,235,113</u>	<u>20,505,337,504</u>

24. OTHER INCOME AND EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Other income	7,301,825,414	2,054,970,539
Penalty for late payment and cancellation of sale contracts	6,854,498,527	486,756,169
Proceeds from disposal of fixed assets	-	954,545,454
Others	447,326,887	613,668,916
Other expenses	(868,399,260)	(3,244,648,468)
Loss due to change in project master plan	-	(2,089,114,681)
Net book value of disposed fixed assets	-	(435,592,497)
Others	(868,399,260)	(719,941,290)
NET	<u>6,433,426,154</u>	<u>(1,189,677,929)</u>

25. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits.

The tax returns filed by Group 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 interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

25.1 Current CIT

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

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

25. CORPORATE INCOME TAX (continued)

25.1 Current CIT (continued)

A reconciliation between the loss before tax on the interim consolidated income statement and taxable profit is presented below:

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Loss before tax	(13,633,013,468)	(11,501,642,087)
Adjustments:		
Non-deductible expenses	11,859,997,637	14,377,168,658
Loss from a subsidiary	3,117,246,460	1,820,022,896
Shared from an associate which has been dissolved	720,460,182	-
Internal unrealized profits	226,441,623	-
Share of loss in associates	141,609,473	538,433,290
Change in provision of severance allowance	(106,274,726)	(222,363,827)
Difference in depreciation	(192,173,901)	(1,204,139,129)
Dividends received	(772,062,000)	(1,919,323,000)
Change in provision for doubtful debts	(1,719,387,398)	-
Adjusted net (loss) profit before tax loss carried forward	(357,156,118)	1,888,156,801
Tax loss carried forward	-	(1,888,156,801)
Estimated tax loss	-	-
Estimated current CIT	-	-
Adjustment for under accrual of tax from prior year	58,257,092	125,890,022
CIT payable at beginning of period	21,679,212,332	40,933,748,856
CIT paid during the period	(6,882,860,670)	(10,815,224,760)
Provisional CIT made	-	(2,800,000)
CIT payable at end of period	14,854,608,754	30,241,614,118

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

25. CORPORATE INCOME TAX (continued)

25.2 *Deferred CIT*

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

	<i>Interim consolidated balance sheet</i>		<i>Credit to interim consolidated income statement</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
	VND			
Internal unrealised profits	3,026,086,993	2,976,269,835	49,817,158	-
Accrual for severance pay	624,118,673	647,499,113	(23,380,440)	(55,590,956)
Depreciation	(181,963,005)	(224,241,263)	42,278,258	(336,958,791)
Deferred income tax assets	3,468,242,661	3,399,527,685		
Net deferred income tax benefit (expense)			68,714,976	(392,549,747)

25.3 *Tax losses carried forward*

The Parent Company and its subsidiary are eligible to carry each individual tax losses forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At 30 June 2014, the Company has accumulated tax losses of VND 39,009,274,032 (31 December 2013: VND 35,534,871,454) available for offset against future taxable profits. Details are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount</i>	<i>Utilized up to 30 June 2014</i>	<i>Forfeited</i>	<i>Unutilized at 30 June 2014</i>
2011	2016	42,298,823,050	(9,363,011,821)		32,935,811,229
2013	2018	2,599,260,225			2,599,260,225
For the six-month period ended 30 June 2014	2019	3,474,402,578	-	-	3,474,402,578
TOTAL		48,372,285,853	(9,363,011,821)	-	39,009,274,032

Estimated tax loss as per the Parent company and its subsidiary's CIT declaration for the six-month period ended 30 June 2014 has not been audited by the local tax authorities as of the date of these interim consolidated financial statements.

No deferred income tax assets were recognised in respect of the accumulated tax 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 2014

26. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND Amount</i>
Gia Dinh Development Investment Corporation	Related party	Interest expense	3,135,388,889
		Dividends received	743,750,000

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND Amount</i>
<i>Other receivable (Note 7)</i>			
Sai Gon Binh Duong Joint stock Company	Associate	Interest income	<u>1,592,901,607</u>
<i>Loan (Note 14)</i>			
Gia Dinh Development Investment Corporation	Related party	Borrowing	<u>(50,000,000,000)</u>

Remuneration to members of the Board of Directors and Management:

	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Salaries and bonus	515,838,600đ	439,409,000đ

27. CAPITAL COMMITMENT

At 30 June 2014, the Group had outstanding commitment of VND 79,498,058,756 (31 December 2013: VND 81,241,220,833) principally relating to the outstanding construction contracts of apartments building and development of infrastructure of the ongoing residential projects.

28. SEGMENT INFORMATION

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

The Group's principal activities are engaged in investing and trading real estate properties and related services. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's real estate products or the locations that the Group is trading. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of separate segmental information is not required.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the six-month period ended 30 June 2014**29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial liabilities comprise loans and borrowings. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables, trade and other payables and cash that arise directly from its operations. The Group does not hold or issue derivative financial instruments.

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

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

Market risk

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

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rate relates primarily to the Group's long-term debt obligations with floating interest rates.

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

Interest rate sensitivity

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

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

	<i>Increase/decrease in basis points</i>	<i>Effect on profit before tax</i>	<i>VND Effect on balance sheet items</i>
For the six-month period ended 30 June 2014			
	+200	(3,634,132,233)	3,989,067,492
	-200	3,634,132,233	(3,989,067,492)
For the six-month period ended 30 June 2013			
	+200	(2,361,113,786)	1,814,184,474
	-200	2,361,113,786	(1,814,184,474)

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

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Real estate risk

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

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, mainly for the loans.

Credit risks related to receivables resulting from the sale of inventory

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

Bank deposits

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed in accordance with the Group's policy. The Group's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Group evaluates the concentration of credit risk in respect to bank deposit as low.

Liquidity risk

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

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

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

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

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

	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>VND Total</i>
30 June 2014			
Loans and borrowings	232,462,072,264	150,306,302,333	382,768,374,597
Trade payables	34,279,731,411	-	34,279,731,411
Other payables and accrued expenses	55,726,742,244	-	55,726,742,244
TOTAL	322,468,545,919	150,306,302,333	472,774,848,252
31 December 2013			
Loans and borrowings	258,526,721,800	166,017,302,333	424,544,024,133
Trade payables	37,010,362,796	-	37,010,362,796
Other payables and accrued expenses	52,325,596,692	-	52,325,596,692
TOTAL	347,862,681,288	166,017,302,333	513,879,983,621

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Collateral

The Group has pledged its fixed assets and inventories in order to fulfil the collateral requirements for the loans obtained from commercial banks (*Notes 14 and 19*). The banks and the organisation have obligations to return these assets to the Group. There are no other significant terms and conditions associated with the use of collateral.

The Group did not hold collateral at 30 June 2014 and 31 December 2013.

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

30. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Carrying amount		Fair value		VND
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	
	Cost	Provision	Cost	Provision	
Financial assets					
Trade receivables	47,486,640,203	(14,609,920,970)	61,814,290,481	(16,529,308,368)	32,676,719,233
Receivable from a related party	1,592,901,607	-	1,924,101,607	-	1,592,901,607
Other receivables	46,719,054,859	(2,661,060,000)	89,570,330,146	(2,661,060,000)	44,057,994,859
Other non-current financial assets	47,755,320,000	(8,925,000,000)	49,955,320,000	(8,925,000,000)	38,830,320,000
Cash and cash equivalents	3,216,776,693	-	2,600,471,968	-	3,216,776,693
TOTAL	146,770,693,362	(26,395,980,970)	205,864,514,202	(28,115,368,368)	120,374,712,392
	Carrying amount		Fair value		VND
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	
Financial liabilities					
Loans and borrowings	382,768,374,597	424,544,024,133	382,768,374,597	424,544,024,133	
Trade payables	34,279,731,411	37,010,362,796	34,279,731,411	37,010,362,796	
Other current liabilities	55,726,742,244	52,325,596,692	55,726,742,244	52,325,596,692	
TOTAL	472,774,848,252	513,879,983,621	472,774,848,252	513,879,983,621	

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

30. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the financial assets and liabilities had not yet been formally assessed and determined as at 30 June 2014 and 31 December 2013. However, it is Management's assessment that the fair values of these financial assets and liabilities are approximately the same as their carrying value as at balance sheet date.

31. EVENTS AFTER THE INTERIM BALANCE SHEET DATE

There have been no significant events occurring after the interim balance sheet date which would require adjustments or disclosures to be made in the interim consolidated financial statements.



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

27 August 2014