

**Investment and Trading of Real Estate
Joint Stock Company**

Consolidated financial statements

31 December 2013

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 incorporated under the Law on Enterprise of Vietnam pursuant to 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 in accordance with Decision No. 115/QD-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 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 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr. Nguyen 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 year and at the date of this report are:

Ms. Phan Thi Hong Lien	Head of the Board of Supervision	
Mr. Le Quang Son	Member	
Ms. Ho Thi Luu	Member	appointed on 16 April 2013
Ms. Nguyen Thi Lang	Member	resigned on 5 March 2013

MANAGEMENT

Members of the Management during the year 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	appointed on 2 May 2013
Mr. Le Van Truong	Deputy General Director	resigned on 1 January 2014

LEGAL REPRESENTATIVE

The legal representative of the Company during the year 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 consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2013.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated state of affairs of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the 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 has confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2013 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.



For and on behalf of the management:

Trương Minh Thuận
General Director

27 March 2014



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") and its subsidiary ("the Group") as prepared on 27 March 2014 and set out on pages 5 to 42, which comprise the consolidated balance sheet as at 31 December 2013, and the consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2013, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited



Narciso T. Torres Jr.
Deputy General Director
Audit Practicing Registration Certificate
No. 0868-2013-004-1

Le Vu Trung
Auditor
Audit Practicing Registration Certificate
No. 1588-2013-004-1

Ho Chi Minh City, Vietnam

27 March 2014

CONSOLIDATED BALANCE SHEET
as at 31 December 2013


VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,901,045,394,671	2,185,900,721,796
110	I. Cash	4	2,600,471,968	12,021,714,472
111	1. Cash		2,600,471,968	12,021,714,472
130	II. Current accounts receivable		227,894,640,587	345,676,042,384
131	1. Trade receivables	5	61,814,290,481	105,405,933,470
132	2. Advances to suppliers	6	93,776,286,721	140,204,419,849
135	3. Other receivables	7	91,494,431,753	110,316,214,276
139	4. Provision for doubtful debts		(19,190,368,368)	(10,250,525,211)
140	III. Inventories	8	1,669,990,001,007	1,827,739,071,412
141	1. Inventories		1,993,461,784,668	1,910,635,028,154
149	2. Provision for obsolete inventories		(323,471,783,661)	(82,895,956,742)
150	IV. Other current asset		560,281,109	463,893,528
151	1. Short-term prepaid expenses		386,570,209	-
158	2. Other current assets		173,710,900	463,893,528
200	B. NON-CURRENT ASSETS		416,138,426,300	484,224,406,819
220	I. Fixed assets		58,419,480,244	49,320,811,610
221	1. Tangible fixed assets	9	18,637,991,107	20,640,922,903
222	Cost		42,571,619,598	45,473,938,606
223	Accumulated depreciation		(23,933,628,491)	(24,833,015,703)
227	2. Intangible fixed assets	10	37,573,078,250	26,471,477,820
228	Cost		37,610,778,250	26,509,177,820
229	Accumulated amortisation		(37,700,000)	(37,700,000)
230	3. Construction in progress		2,208,410,887	2,208,410,887
240	II. Investment properties	11	77,279,816,603	98,772,897,729
241	1. Cost		91,381,942,544	110,541,642,390
242	2. Accumulated depreciation		(14,102,125,941)	(11,768,744,661)
250	III. Long-term investments	12	276,303,207,711	310,727,716,739
252	1. Investments in associates	12.1	235,272,887,711	267,751,216,739
258	2. Other long-term investments	12.2	49,955,320,000	51,901,500,000
259	3. Provision for long-term investments	12.2	(8,925,000,000)	(8,925,000,000)
260	IV. Other long-term assets		4,135,921,742	25,402,980,741
261	1. Long-term prepaid expenses		674,394,057	3,821,531,906
262	2. Deferred tax assets	25.2	3,399,527,685	21,519,448,835
268	3. Other long-term assets		62,000,000	62,000,000
270	TOTAL ASSETS		2,317,183,820,971	2,670,125,128,615

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2013

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		837,896,096,877	893,278,318,328
310	I. Current liabilities		666,907,715,024	634,250,922,363
311	1. Short-term loans	14	258,526,721,800	193,370,866,943
312	2. Trade payables		37,010,362,796	30,351,480,994
313	3. Advances from customers	15	259,412,930,125	278,648,703,715
314	4. Statutory obligations	16	50,881,688,848	68,180,787,759
315	5. Payables to employees		1,488,126,250	1,480,723,660
316	6. Accrued expenses	17	16,090,004,701	11,500,778,777
319	7. Other payables	18	34,207,690,252	36,391,072,220
320	8. Short-term provision		1,934,364,647	5,631,701,090
338	9. Unearned revenue		7,494,160,123	8,059,467,942
343	10. Bonus and welfare fund		(138,334,518)	635,339,263
330	II. Non-current liabilities		170,988,381,853	259,027,395,965
333	1. Other long-term liabilities		4,971,079,520	6,490,687,473
334	2. Long-term loans	19	166,017,302,333	252,536,708,492
400	B. OWNERS' EQUITY	20.1	1,472,833,726,339	1,770,035,859,454
410	I. Capital		1,472,833,726,339	1,770,035,859,454
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	26,559,466,833
420	6. (Accumulated loss) undistributed retained earnings		(239,870,476,537)	57,679,707,085
439	C. MINORITY INTERESTS		6,453,997,755	6,810,950,833
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,317,183,820,971	2,670,125,128,615



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director



27 March 2014


CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2013

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	21.1	218,158,091,973	139,916,172,568
10	2. Net revenue from sale of goods and rendering of services		218,158,091,973	139,916,172,568
11	3. Cost of goods sold and services rendered	22	(429,520,625,496)	(97,721,958,369)
20	4. Gross (loss) profit from sale of goods and services rendered		(211,362,533,523)	42,194,214,199
21	5. Finance income	21.2	2,413,544,562	23,275,764,780
22	6. Finance expenses	23	(37,270,426,758)	(44,573,785,194)
23	<i>In which: Interest expense</i>		(35,944,507,529)	(43,510,635,023)
24	7. Selling expenses		(2,275,870,175)	(714,176,375)
25	8. General and administration expenses		(28,656,021,549)	(25,623,053,621)
30	9. Operating loss		(277,151,307,443)	(5,441,036,211)
31	10. Other income	24	6,582,822,316	25,270,558,479
32	11. Other expenses	24	(7,858,349,985)	(5,655,179,731)
40	12. Other (loss) profit	24	(1,275,527,669)	19,615,378,748
44	13. Share of (loss) profit in associates	12.1	(776,322,846)	343,710,437
50	14. (Loss) profit before tax		(279,203,157,958)	14,518,052,974
51	15. Current corporate income tax expense	25.1	(236,007,085)	(712,251,592)
52	16. Deferred income tax expense	25.2	(18,119,921,150)	(6,524,278,031)
60	17. Net (loss) profit after tax		(297,559,086,193)	7,281,523,351
	<i>Attributable to:</i>			
	17.1 <i>Minority interests</i>		(356,953,078)	320,513,216
	17.2 <i>Equity holders to the parent</i>		(297,202,133,115)	6,961,010,135
70	18. (Losses) earnings per share <i>Basic and diluted</i>	20.4		101


Pham Van Khanh
Preparer


Doan Huu Chi
Chief Accountant


Trương Minh Thuận
General Director



27 March 2014

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2013

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	(Loss) profit before tax		(279,203,157,958)	14,518,052,974
	Adjustments for:			
02	Depreciation and amortisation	9,10,11	5,079,481,962	8,495,772,121
03	Provisions (reversal of provision)		249,515,670,076	(28,689,672,380)
05	Profit from investing activities		(781,552,383)	(22,408,873,765)
06	Interest expense	23	35,944,507,529	43,510,635,023
08	Operating profit (loss) before changes in working capital		10,554,949,226	15,425,913,973
09	Decrease in receivables		112,265,701,450	138,934,891,418
10	Increase in inventories		(76,192,159,180)	(71,738,545,133)
11	Increase (decrease) in payables		6,255,667,254	(95,047,200,496)
12	Decrease in prepaid expenses		2,999,218,680	1,229,180,035
13	Interest paid		(56,191,845,527)	(43,529,949,796)
14	Corporate income tax paid	25.1	(19,487,743,609)	(18,562,820,961)
16	Other cash outflows from operating activities		(773,673,781)	(543,444,700)
20	Net cash used in operating activities		(20,569,885,487)	(73,831,975,660)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		-	(2,347,688,205)
22	Proceeds from disposals of fixed assets	24	954,545,454	216,222,273
26	Proceeds from sale of investments in other entities		29,835,000,000	63,029,264,118
27	Interest and dividend received		1,724,237,931	1,869,376,937
30	Net cash from investing activities		32,513,783,385	62,767,175,123

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2013

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		93,992,945,471	103,421,198,284
34	Repayment of borrowings		(115,356,496,773)	(62,742,920,729)
36	Dividends paid	20.2	(1,589,100)	(34,116,950,885)
40	Net cash (used in) from financing activities		(21,365,140,402)	6,561,326,670
50	Net decrease in cash		(9,421,242,504)	(4,503,473,867)
60	Cash at beginning of year	4	12,021,714,472	16,525,188,339
70	Cash at end of year	4	2,600,471,968	12,021,714,472



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

27 March 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 31 December 2013

1. CORPORATE INFORMATION

Investment and Trading of Real Estate Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to 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 in accordance with Decision No. 115/QD-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 related services; to execute civil construction works, industrial projects and interior decoration; to construct infrastructure of urban areas, 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, real estate trading centre and management.

The Company's registered office is located at 18 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam.

The Company has a subsidiary, Intresco Construction Joint Stock Company ("IC"), (the Company and IC collectively referred to as "the Group"). IC is a shareholding company in which the Company holds 85% ownership interest was established in accordance with Business Registration Certificate No. 0310626100 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 February 2011. IC's registered office is located at 20 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 31 December 2013 was 174 (31 December 2012: 194).

2. BASIS OF PREPARATION

2.1 Accounting standards and system

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

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (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 consolidated balance sheet, consolidated income statement, consolidated cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

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 starts on 1 January and ends on 31 December.

2.4 Accounting currency

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary for the year ended 31 December 2013.

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 year as the Company, using consistent accounting policies.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprises cash on hand and cash in banks.

3.2 Inventories

Inventory 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Inventories* (continued)

Inventory properties (continued)

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 statement on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

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 (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

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

3.3 *Receivables*

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

The provision for doubtful debts represents the estimated loss due to non-collection of receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recorded in the 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 consolidated income statement as incurred. When fixed assets are sold or retired, their cost and accumulated depreciation or amortization are removed from the consolidated balance sheet and any gain or loss resulting from their disposal is included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Depreciation and amortisation*

Depreciation and amortisation of 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 are reviewed periodically to ensure that the method and the year 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 consolidated income statement.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

3.7 *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 year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

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

3.8 *Prepaid expenses*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Investments 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 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 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 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 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 year 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 investments at the balance sheet date in accordance with the guidance under 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 expense in the 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 year for all employees who have more than 12 months in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Any changes to the accrued amount will be taken to the 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Earnings (loss) per share*

Basic earnings (loss) per share amount is computed by dividing net profit (loss) for the year attributable to ordinary shareholders, before appropriation for funds by the weighted average number of ordinary outstanding shares during the year, where applicable.

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

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 Company'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 of in-depth investment.

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.

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. 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 year in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Revenue recognition* (continued)

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 year 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, the management are reasonably certain that the tenant will exercise that option.

Premiums received to terminate leases are recognized in the 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 years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Deferred income tax (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to 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*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	859,915,353	3,555,749,015
Cash in banks	1,740,556,615	8,465,965,457
TOTAL	<u>2,600,471,968</u>	<u>12,021,714,472</u>

5. TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Receivables from sales of land lots and apartments (*)	21,490,127,209	58,325,630,089
Receivables from construction services	24,968,354,254	29,472,351,543
Receivables from Hai Au Concrete Joint Stock Company	9,826,095,208	9,826,095,208
Others	5,529,713,810	7,781,856,630
TOTAL	<u>61,814,290,481</u>	<u>105,405,933,470</u>
Provision for doubtful debts	<u>(16,529,308,368)</u>	<u>(10,250,525,211)</u>
NET	<u>45,284,982,113</u>	<u>95,155,408,259</u>

(*) Receivables from sales 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 houses and land use rights to the customers. Details by projects are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Thinh Vuong Building	6,628,507,281	17,550,336,090
An Khang Building	5,810,857,333	15,594,914,814
Phong Phu Project	3,872,903,450	5,088,424,600
Lot 7 - 6B Project	3,177,212,920	15,261,356,915
Binh Hoa Project	1,309,698,225	3,132,310,125
An Cu Building	690,948,000	1,698,287,545
TOTAL	<u>21,490,127,209</u>	<u>58,325,630,089</u>

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

	VND	
	<i>Current year</i>	<i>Previous year</i>
At beginning of year	10,250,525,211	10,250,525,211
Provision created during the year	6,478,783,157	-
Reversal during the year	<u>(200,000,000)</u>	<u>-</u>
At end of year	<u>16,529,308,368</u>	<u>10,250,525,211</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

6. ADVANCES TO SUPPLIERS

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

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Lot 6 & 7 - 6B Project	32,240,233,431	32,455,486,481
Thien Phu, Dak Nong Project	20,000,000,000	20,000,000,000
Long Binh Ward – District 9 Project	19,899,197,600	19,899,197,600
Binh Trung Dong – District 2 Project	-	43,795,000,000
Others	21,636,855,690	24,054,735,768
TOTAL	<u>93,776,286,721</u>	<u>140,204,419,849</u>

7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advance for Tang Nhon Phu Project	28,841,408,622	51,018,636,422
Saigon Cho Lon Investment & Real Estate Joint Stock Company	18,850,000,000	18,850,000,000
May Thang Long Joint Stock Company	12,000,000,000	12,000,000,000
Saigon Infrastructure Development Joint Stock Company	10,000,000,000	10,000,000,000
Tan Tao Construction & Trading Co., Ltd	7,200,000,000	-
Receivable from related parties (Note 26)	1,924,101,607	1,592,901,607
Construction and Trading of Real Estate III Joint Stock Company	-	8,655,000,000
Others	12,678,921,524	8,199,676,247
TOTAL	<u>91,494,431,753</u>	<u>110,316,214,276</u>
Provision for doubtful debts	<u>(2,661,060,000)</u>	-
NET	<u>88,833,371,753</u>	<u>110,316,214,276</u>

8. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Real estate properties and construction projects in progress (*)	1,993,461,784,668	1,910,635,028,154
TOTAL	<u>1,993,461,784,668</u>	<u>1,910,635,028,154</u>
Provision diminution in value of inventories	<u>(323,471,783,661)</u>	<u>(82,895,956,742)</u>
NET	<u>1,669,990,001,007</u>	<u>1,827,739,071,412</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

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	
	Ending balance	Beginning balance
Long Thoi - Nha Be Project (i)	783,840,781,590	749,451,849,715
146 Nguyen Van Troi, Phu Nhuan (ii)	550,932,490,558	545,050,672,896
106 Ly Chinh Thang Building (iii)	213,223,716,052	207,411,540,447
Long Phuoc, District 9 Project	128,041,872,919	124,232,665,279
6A Project	125,865,922,342	125,171,184,160
Lot 4, 6 & 8 - 6B Project	80,079,885,236	73,374,189,876
Tang Nhon Phu Project	30,735,986,018	21,363,766,189
Binh Trung Dong – District 2 Project	28,848,790,056	-
Others	51,892,339,897	64,579,159,592
TOTAL	<u>1,993,461,784,668</u>	<u>1,910,635,028,154</u>

(i) Land use right of 24,047 square meters on total land of 484,814 square meters at Long Thoi – Nha Be Project was pledged to obtain the loan from Gia Dinh Development Investment Corporation (Note 14).

(ii) Land use rights 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 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 (Notes 14 and 19).

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

	VND	
	Current year	Previous year
At beginning of year	82,895,956,742	111,585,629,122
Add: Provision created during the year (*)	240,575,826,919	-
Less: Reversal during the year	-	(28,689,672,380)
At end of year	<u>323,471,783,661</u>	<u>82,895,956,742</u>

(*) The amount relates to the additional provision loss (31 December 2012: VND 69,238,524,489) made for 146 Nguyen Van Troi, Phu Nhuan project ("146 NVT project") representing the difference between the carrying value and net realisable value of this project as at 31 December 2013. The net realisable value was determined based on the Company's Arrangement dated 6 January 2014 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	VND
Cost:					
Beginning balance	30,285,474,138	5,762,972,267	6,979,884,486	2,445,607,715	45,473,938,606
Disposal	(278,162,500)	-	(1,285,856,257)	-	(1,564,018,757)
Other decrease (*)	-	(265,507,630)	(36,560,863)	(1,036,231,758)	(1,338,300,251)
Ending balance	30,007,311,638	5,497,464,637	5,657,467,366	1,409,375,957	42,571,619,598
<i>In which:</i>					
Fully depreciated	208,068,806	922,144,669	844,310,602	971,751,453	2,946,275,530
Accumulated depreciation:					
Beginning balance	12,681,741,310	5,418,804,757	4,602,887,133	2,129,582,503	24,833,015,703
Depreciation for the year	1,033,407,095	476,541,725	596,772,726	69,835,574	2,176,557,120
Adjustment	-	(653,858,505)	(194,357,393)	(5,742,622)	(853,958,520)
Disposal	(272,072,841)	-	(850,263,760)	-	(1,122,336,601)
Other decrease (*)	-	(209,382,080)	(17,671,084)	(872,596,047)	(1,099,649,211)
Ending balance	13,443,075,564	5,032,105,897	4,137,367,622	1,321,079,408	23,933,628,491
Net carrying amount:					
Beginning balance	17,603,732,828	344,167,510	2,376,997,353	316,025,212	20,640,922,903
Ending balance	16,564,236,074	465,358,740	1,520,099,744	88,296,549	18,637,991,107

(*) During the year the Company has reclassified those assets that no longer satisfied the recognition criteria of fixed assets as required by Circular 45/2013/TT-BTC providing guidance for safeguarding, using and depreciating fixed assets to long-term prepaid expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

10. INTANGIBLE FIXED ASSET

			VND
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
Beginning balance	26,471,477,820	37,700,000	26,509,177,820
Reclassification from investment properties	11,101,600,430	-	11,101,600,430
Ending balance	<u>37,573,078,250</u>	<u>37,700,000</u>	<u>37,610,778,250</u>
Accumulated amortisation:			
Beginning balance	-	37,700,000	37,700,000
Amortization for the year	-	-	-
Ending balance	-	<u>37,700,000</u>	<u>37,700,000</u>
Net carrying amount:			
Beginning balance	<u>26,471,477,820</u>	-	<u>26,471,477,820</u>
Ending balance	<u>37,573,078,250</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 and 19).

11. INVESTMENT PROPERTIES

			VND
	<i>Buildings</i>	<i>Houses</i>	<i>Total</i>
Cost:			
Beginning balance	97,781,182,124	12,760,460,266	110,541,642,390
Transfer to inventories	(8,058,099,416)	-	(8,058,099,416)
Reclassification to intangible fixed assets	-	(11,101,600,430)	(11,101,600,430)
Ending balance	<u>89,723,082,708</u>	<u>1,658,859,836</u>	<u>91,381,942,544</u>
Accumulated depreciation:			
Beginning balance	10,109,884,825	1,658,859,836	11,768,744,661
Depreciation for the year	3,756,883,362	-	3,756,883,362
Transfer to inventories	(1,423,502,082)	-	(1,423,502,082)
Ending balance	<u>12,443,266,105</u>	<u>1,658,859,836</u>	<u>14,102,125,941</u>
Net carrying amount:			
Beginning balance	<u>87,671,297,299</u>	<u>11,101,600,430</u>	<u>98,772,897,729</u>
Ending balance	<u>77,279,816,603</u>	-	<u>77,279,816,603</u>

The fair values of the investment properties had not yet been formally assessed and determined as at 31 December 2013. However, given that these properties are currently rented out and income generating, it is management's assessment that these properties' market values are still higher than their carrying values as at balance sheet date.

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

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investments in associates	235,272,887,711	267,751,216,739
Other long-term investments	49,955,320,000	51,901,500,000
<i>Long-term securities</i>	49,955,320,000	49,766,500,000
<i>Other long-term investments</i>	-	2,135,000,000
Provision for long-term investments	<u>(8,925,000,000)</u>	<u>(8,925,000,000)</u>
TOTAL	<u>276,303,207,711</u>	<u>310,727,716,739</u>

12.1 Investments in associates

	<u>% of interest</u>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Pham Gia Construction Limited Company	46.19	46.19
Sai Gon Binh Duong Joint stock Company	22.49	26.83
Long Binh Construction – Trading – Producing Joint Stock Company	36.36	36.36
An Dong Liksin Investment Joint Stock Company	-	40.00

Pham Gia Construction Limited Company ("PG") is a limited liability company with two or more members established in accordance with Business Registration Certificate No. 0302535114 issued by the Department of Planning and Investment of Ho Chi Minh City on 29 January 2002, as amended. 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 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 and 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 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.

An Dong Liksin Investment Joint Stock Company ("AD") is a shareholding company established in accordance with Business Registration Certificate No. 4103007548 issued by the Department of Planning and Investment of Ho Chi Minh City on 11 August 2007. AD's registered office is located at 51A-53A An Duong Vuong Street, Ward 8, District 5, Ho Chi Minh City, Vietnam. AD's principal activities are to trade real estate properties; to invest in and construct the infrastructure of residential areas; and to manufacture and sell construction materials, interior decoration products and construction equipment.

In accordance with the Decision dated 28 May 2 of AD's Board of Directors to dissolve the company 013, AD returned the Company's capital contribution of VND 16,000,000,000. As at the date of the consolidated financial statements, AD completed the legal procedures required for this dissolution. Accordingly, the Company recognised the disposal of investment in AD.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

12. LONG-TERM INVESTMENTS (continued)

12.1 Investments in associates (continued)

Details of these investments in associates as at 31 December 2013 are presented as follows:

	PG	SGBD	LB	AD	VND Total
Cost of investments:					
Beginning balance	150,968,925,000	80,480,013,645	21,000,000,000	16,000,000,000	268,448,938,645
Disposal	-	(13,000,000,000)	-	(16,000,000,000)	(29,000,000,000)
Ending balance	150,968,925,000	67,480,013,645	21,000,000,000	-	239,448,938,645
Accumulated share in post-acquisition profit (loss) of the associates:					
Beginning balance	-	(1,992,273,062)	(1,287,455,026)	2,582,006,182	(697,721,906)
Disposal	-	-	-	(2,582,006,182)	(2,582,006,182)
Share in post-acquisition loss of the associates for the year	-	(541,194,944)	(235,127,902)	-	(776,322,846)
Dividends for the year	-	-	(120,000,000)	-	(120,000,000)
Ending balance	-	(2,533,468,006)	(1,642,582,928)	-	(4,176,050,934)
Carrying amount:					
Beginning balance	150,968,925,000	78,487,740,583	19,712,544,974	18,582,006,182	267,751,216,739
Ending balance	150,968,925,000	64,946,545,639	19,357,417,072	-	235,272,887,711

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

12.2 Other long-term investments

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Number of shares</i>	<i>Amount (VND)</i>	<i>Number of shares</i>	<i>Amount (VND)</i>
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 Electronic Investment – Construction 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
Saigon Infrastructure Joint Stock Company	22,000	2,200,000,000	22,000	2,200,000,000
Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	18,882	188,820,000	-	-
Others	-	-	-	2,135,000,000
TOTAL		49,955,320,000		51,901,500,000
Provision for diminution in value of investments		(8,925,000,000)		(8,925,000,000)
NET		41,030,320,000		42,976,500,000

13. BORROWING COSTS

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expense (Note 23)	35,944,507,529	43,510,635,023
Capitalized as part of cost of real estate projects	24,926,563,922	28,656,397,752
TOTAL	60,871,071,451	72,167,032,775

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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14. SHORT-TERM LOANS

	Ending balance	Beginning balance
		VND
Bank loans	78,525,142,674	80,067,301,943
Loans from other organizations	57,000,000,000	77,000,000,000
Loans from individuals	16,430,214,000	24,724,565,000
Current portion of long-term loan (Note 19)	106,571,365,126	11,579,000,000
TOTAL	<u>258,526,721,800</u>	<u>193,370,866,943</u>

Details of bank loans are as follows:

Lenders	Ending balance	Principal repayment term	Interest rate	Description of collateral
				VND
Bank for Investment and Development of Vietnam JSC				
Loan Contract No. 71/2012/HD/93512 dated 10 August 2012	3,025,143,138	From 12 June 2014 to 13 November 2014	11% p.a.	Land use right at No. 106 Ly Chinh Thang Street, District 3, Ho Chi Minh City (Note 8)
Vietnam Bank for Agriculture and Rural Development				
Loan Contract No. 6220-LAV-201100116/HDTD dated 17 February 2011	38,500,000,000	From 2 October 2014 to 21 November 2014	11.5% p.a.	Land use rights at 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City (Note 10)
Lien Viet Post Bank				
Loan Contract No. 092-12/HDHMTD-Lien Viet Post Bank-HCM dated 7 June 2012	36,999,999,536	From 8 February 2014 to 29 October 2014	10.5% to 12.5% p.a.	Land use right at 16 Nguyen Dinh Chieu Street, DaKao Ward, District 1, Ho Chi Minh City (Note 10)
TOTAL	<u>78,525,142,674</u>			

The Group obtained these loans to support its real estate project development and working capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 201314. **SHORT-TERM LOANS** (continued)

Details of loans from other organizations are as follows:

<i>Lenders</i>	<i>Ending balance</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i>	<i>Description of collateral</i>
VND					
Gia Dinh Development Investment Corporation (Note 26)					
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 2013	To finance the land compensation for Long Thoi Project	12% p.a.	Land use right at Long Thoi residential area, Nhon Duc Commune, Nha Be District, Ho Chi Minh City (Note 8)
Saigon Trading Group (SATRA)					
Financial Investment Cooperation Contract No. 33/2008 dated 4 April 2008 and appendix 327/2013 dated 30 December 2013	7,000,000,000	31 March 2014	To finance the working capital	12% p.a.	Right to buy An Khang apartments at the price of 80% market price
TOTAL	<u>57,000,000,000</u>				

Loans from individuals represent unsecured short-term loans amounting to VND 16,430,214,000 obtained from sixteen (16) individuals for the purpose of financing the land compensation of Long Thoi - Nha Be residential Project for a period twelve (12) months at the interest rate of 14% per annum.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

15. ADVANCES FROM CUSTOMERS

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

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
6A Project	103,384,029,000	103,984,029,000
Lot 4, 6, 7 & 8 - 6B Project	92,462,253,696	94,309,481,128
Binh Trung Dong Project – District 2	10,082,708,000	11,126,908,000
Nhon Duc Commune, Nha Be District Project	11,000,000,000	11,000,000,000
House at No. 26 Phung Khac Khoan Street	-	20,000,000,000
Others	42,483,939,429	38,228,285,587
TOTAL	<u>259,412,930,125</u>	<u>278,648,703,715</u>

16. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Value-added tax	26,216,550,716	24,432,925,544
Corporate income tax (Note 25.1)	21,679,212,332	40,933,748,856
Personal income tax	189,266,198	108,279,435
Other taxes	2,796,659,602	2,705,833,924
TOTAL	<u>50,881,688,848</u>	<u>68,180,787,759</u>

17. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Interest expense	15,880,004,701	11,200,778,777
Others	210,000,000	300,000,000
TOTAL	<u>16,090,004,701</u>	<u>11,500,778,777</u>

18. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Maintenance fees collected on behalf of apartment's management committee	15,354,516,088	13,810,771,291
Deposits received	6,623,318,344	2,213,000,000
Land compensation for Long Thoi – Nha Be Project payable to residents	3,450,875,298	6,054,539,298
Dividends payable	3,164,892,924	3,166,482,024
Additional land use fees of land lot No.7 – 6B Project and 13E Project	-	1,250,597,025
Others	5,614,087,598	9,895,682,582
TOTAL	<u>34,207,690,252</u>	<u>36,391,072,220</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

19. LONG-TERM LOANS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Loans from banks	<u>272,588,667,459</u>	<u>264,115,708,492</u>
<i>In which:</i>		
<i>Current portion of long-term loan (Note 14)</i>	106,571,365,126	11,579,000,000
<i>Non-current portion</i>	166,017,302,333	252,536,708,492

Details of long-term bank loan are as follows:

<i>Lender</i>	<i>Ending balance</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND				
Saigon Commercial Joint Stock Bank, District 4 Branch					
Long-term loan agreement No LDC731600005	167,894,000,000	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 or minus 0.45 % p.a.	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)
<i>In which:</i>					
<i>Current portion</i>	17,368,000,000				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

19. LONG-TERM LOANS (continued)

Details of long-term bank loan are as follows (continued):

<i>Lender</i>	<i>Ending balance</i>	<i>Principal repayment term</i>	<i>Purpose</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND				
Bank for Investment and Development of Vietnam JSC					
Loan Contract No. 01/2011/HD/9351 2 dated 18 July 2011 and appendix in June 2013	94,694,667,459	From 17 June 2015 to 23 May 2016	To finance Long Thoi – Nha Be Project and 146 Nguyen Van Trois street, Phu Nhuan District Project	11% to 12% p.a.	Land use right at No. 106 Ly Chinh Thang street, District 3, Ho Chi Minh City (Note 8)
<i>In which:</i>					
<i>Current portion</i>	79,203,365,126				
Vietnam Bank for Agriculture and Rural Development					
Loan Contract No. 6220-LAV- 201100116/HDTD dated 17 February 2011	10,000,000,000	17 January 2014	To finance working capital	13% p.a.	Land use rights at 20 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City (Note 10)
<i>In which:</i>					
<i>Current portion</i>	10,000,000,000				
TOTAL	272,588,667,459				

Investment and Trading of Real Estate Joint Stock Company

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

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 loss)	Total
Previous year:							VND
Beginning balance	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,559,466,833	85,041,860,950	1,797,398,013,319
Net profit for the year	-	-	-	-	-	6,961,010,135	6,961,010,135
Dividend declared	-	-	-	-	-	(34,323,164,000)	(34,323,164,000)
Ending balance	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,559,466,833	57,679,707,085	1,770,035,859,454
Current year:							
Beginning balance	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,559,466,833	57,679,707,085	1,770,035,859,454
Net loss for the year	-	-	-	-	-	(297,202,133,115)	(297,202,133,115)
Profit appropriation	-	-	-	-	348,050,507	(348,050,507)	-
Ending balance	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners and distribution of dividends and profits

	VND	
	Current year	Previous year
Share capital		
Beginning and ending balance	<u>690,866,880,000</u>	<u>690,866,880,000</u>
Dividends declared	-	34,323,164,000
Dividends paid	1,589,100	34,116,950,885

20.3 Shares - ordinary shares

	Ending balance	Beginning balance
	Shares	Shares
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>	69,086,688	69,086,688
<i>Treasury shares</i>	(440,360)	(440,360)

20.4 Basic (losses) earnings per share

	Current year	Previous year
Net (losses) profits attributable to ordinary equity holders of the Company (VND)	(297,202,133,115)	6,961,010,135
Weighted average number of ordinary shares	<u>68,646,328</u>	<u>68,646,328</u>
Basic (losses) earnings per share <i>(par value: VND 10,000 per share)</i>	<u>(4,329)</u>	<u>101</u>

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

21. REVENUE

21.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
Net revenue	<u>218,158,091,973</u>	<u>139,916,172,568</u>
<i>Of which:</i>		
<i>Sale of real estate properties</i>	121,938,328,234	40,310,335,980
<i>Revenue from construction services</i>	79,075,998,682	80,504,116,984
<i>Revenue from other services</i>	17,143,765,057	19,101,719,604

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

21. REVENUE (continued)

21.2 Finance income

	VND	
	Current year	Previous year
Dividends received	1,919,323,000	1,275,000,000
Interest income	236,868,931	354,376,937
Proceeds from disposal of investments	-	21,249,270,000
Others	257,352,631	397,117,843
TOTAL	<u>2,413,544,562</u>	<u>23,275,764,780</u>

22. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of real estate properties	345,619,867,710	8,788,144,235
Cost of construction	74,579,670,365	77,370,616,699
Cost of services rendered	9,321,087,421	11,563,197,435
TOTAL	<u>429,520,625,496</u>	<u>97,721,958,369</u>

23. FINANCE EXPENSES

	VND	
	Current year	Previous year
Interest expense	35,944,507,529	43,510,635,023
Loss from disposal of investment	1,300,000,000	-
Provision for diminution in value of investments	-	1,029,705,882
Others	25,919,229	33,444,289
TOTAL	<u>37,270,426,758</u>	<u>44,573,785,194</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

24. OTHER INCOME AND EXPENSES

	<i>Current year</i>	<i>VND Previous year</i>
Other income	6,582,822,316	25,270,558,479
Gain on the settlement of advances made to employees related to discontinued Tang Nhon Phu Project	-	22,003,960,130
Reversal of provision for warranty	3,945,939,271	2,356,038,972
Penalty for late payment and cancellation of apartment sale contracts	1,078,395,312	300,758,000
Proceeds from disposal of fixed assets	954,545,454	216,222,273
Others	603,942,279	393,579,104
Other expenses	(7,858,349,985)	(5,655,179,731)
Cost of terminated project	(3,922,534,308)	-
Loss due to change in project programming	(2,089,114,681)	-
Net book value of fixed assets disposed	(441,682,156)	-
Cancellation of compensation contracts	-	(3,531,015,000)
Additional land use fees of land lot No.7 – 6B Project and 13E Project	-	(1,250,597,025)
Others	(1,405,018,840)	(873,567,706)
NET	(1,275,527,669)	19,615,378,748

25. CORPORATE INCOME TAX

The Company and its subsidiary have the obligation to pay corporate income tax ("CIT") at the rate of 25% of taxable profits.

The Company and its subsidiary's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could 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 (tax loss) for the year. The taxable profit (tax loss) of the Group for the year differs from the profit (loss) as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted at balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

25. CORPORATE INCOME TAX (continued)

25.1 Current CIT (continued)

A reconciliation between the accounting (loss) profit before tax and estimated current (tax loss) taxable profit is presented below:

	VND	
	Current year	Previous year
(Loss) profit before tax	(279,203,157,958)	14,518,052,974
Adjustments to increase (decrease) accounting profit (loss):		
Non-deductible expenses	30,571,985,705	25,593,245,360
Change in provision for diminution in value of inventories	240,575,826,919	(28,689,672,380)
Change in provision for doubtful debt	8,939,843,157	-
Change in provision for severance allowance	(367,593,819)	3,310,771,600
Internal unrealized profit	-	(901,668,930)
Dividend received	(1,919,323,000)	(1,275,000,000)
Share of loss (profit) from associates	776,322,846	(343,710,437)
Depreciation	(1,532,695,824)	-
Loss of parent company	2,599,260,225	-
Adjusted net profit before tax loss carried forward	440,468,251	12,212,018,187
Tax loss carried forward	-	(9,363,011,821)
Estimated current taxable profit	440,468,251	2,849,006,366
Estimated current CIT	110,117,063	712,251,592
Assessment for additional CIT from prior year	125,890,022	-
Current CIT	236,007,085	712,251,592
CIT payable at beginning of year	40,933,748,856	58,778,458,225
CIT paid during the year	(19,487,743,609)	(18,562,820,961)
Provisional CIT made (1% over invoiced revenue)	(2,800,000)	5,860,000
CIT payable at end of year	21,679,212,332	40,933,748,856

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

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 year:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>		<i>VND</i>
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	
Provision for obsolete inventory	-	17,309,631,122	(17,309,631,122)	(7,172,418,095)	
Internal unrealised profit	2,976,269,835	3,382,124,813	(405,854,978)	(179,552,836)	
Accrual for severance pay	647,499,113	827,692,900	(180,193,787)	827,692,900	
Depreciation	(224,241,263)	-	(224,241,263)	-	
<i>Deferred income tax assets</i>	<u>3,399,527,685</u>	<u>21,519,448,835</u>			
<i>Net deferred income tax expense</i>			<u>(18,119,921,150)</u>	<u>(6,524,278,031)</u>	

26. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i> <i>Amount</i>
Gia Dinh Development Investment Corporation	Related party	Interest expense	6,704,166,666
		Dividends received	1,275,000,000
Saigon Infrastructure Development Joint Stock Company	Related party	Dividend	616,000,000
Long Binh Construction – Trading – Producing Joint Stock Company	Associate	Dividend received	120,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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26. TRANSACTIONS WITH RELATED PARTY (continued)

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND Receivable (Payable)</i>
<i>Other receivables</i>			
Saigon Binh Duong Joint stock Company	Associate	Interest income	1,592,901,607
Saigon Infrastructure Development Joint Stock Company	Related party	Dividend	331,200,000
			1,924,101,607
<i>Loans</i>			
Gia Dinh Development Investment Corporation	Associate	Loan	(50,000,000,000)

Transactions with other related parties

Remuneration to members of the Board of Directors and Management:

	<i>Current year</i>	<i>VND Previous year</i>
Salaries and bonuses	1,821,792,000	1,576,324,000
Allowance for the Board of Directors	-	329,033,000
TOTAL	1,821,792,000	1,905,357,000

27. CAPITAL COMMITMENTS

At 31 December 2013, the Group has outstanding commitments of VND 81,241,220,833 (31 December 2012: VND 93,133,378,578) principally relating to the outstanding construction contracts of apartments building and development of infrastructure of the ongoing residential projects.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise 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 unquoted financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2013 and 31 December 2012 and have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

Interest rate risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013**28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****Market risk** (continued)*Interest rate sensitivity*

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

With all other variables held constant, the Group's profit before tax and balance sheet items 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</i> <i>Effect on balance sheet items</i>
For the year ended 31 December 2013			
VND	+200	(4,441,875,280)	4,023,000,483
VND	-200	4,441,875,280	(4,023,000,483)
For the year ended 31 December 2012			
VND	+200	(4,713,462,855)	4,084,471,509
VND	-200	4,713,462,855	(4,084,471,509)

Real estate risk

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

Credit risk

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

Credit risks related to receivables resulting from the sale of inventory properties

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

Bank deposits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

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

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

	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>VND Total</i>
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
	<u>347,862,681,288</u>	<u>166,017,302,333</u>	<u>513,879,983,621</u>
31 December 2012			
Loans and borrowings	193,370,866,943	252,536,708,492	445,907,575,435
Trade payables	30,351,480,994	-	30,351,480,994
Other payables and accrued expenses	51,071,766,870	-	51,071,766,870
	<u>274,794,114,807</u>	<u>252,536,708,492</u>	<u>527,330,823,299</u>

The Group assessed the 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 the land use right to the Company. There are no other significant terms and conditions associated with the use of collateral.

The Group did not hold collateral at 31 December 2013 and 31 December 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Carrying amount		Beginning balance		Fair value	
	Ending balance	Provision	Cost	Provision	Ending balance	Beginning balance
Financial assets						
Trade receivables	61,814,290,481	(16,529,308,368)	105,405,933,470	(10,250,525,211)	45,284,982,113	95,155,408,259
Receivable from related parties	1,924,101,607	-	1,592,901,607	-	1,924,101,607	1,592,901,607
Other receivables	89,570,330,146	(2,661,060,000)	108,723,312,669	-	86,909,270,146	108,723,312,669
Other non-current financial assets	49,955,320,000	(8,925,000,000)	51,901,500,000	(8,925,000,000)	41,030,320,000	42,976,500,000
Cash	2,600,471,968	-	12,021,714,472	-	2,600,471,968	12,021,714,472
TOTAL	205,864,514,202	(28,115,368,368)	279,645,362,218	(19,175,525,211)	177,749,145,834	260,469,837,007
						VND
Financial liabilities						
Loans and borrowings	424,544,024,133	445,907,575,435	424,544,024,133	445,907,575,435	424,544,024,133	445,907,575,435
Trade payables	37,010,362,796	30,351,480,994	37,010,362,796	30,351,480,994	37,010,362,796	30,351,480,994
Other current liabilities	52,325,596,692	51,071,766,870	52,325,596,692	51,071,766,870	52,325,596,692	51,071,766,870
TOTAL	513,879,983,621	527,330,823,299	513,879,983,621	527,330,823,299	513,879,983,621	527,330,823,299
						VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2013

29. 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 31 December 2013 and 31 December 2012. 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.

30. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the consolidated balance sheet have been reclassified to reflect the presentation of the current year's consolidated financial statements.

31. EVENTS AFTER THE BALANCE SHEET DATE

On 6 January 2014, the Company entered into an Agreement with a local investor to transfer land and associated assets on the land of 146 NVT Project with a total contract value of VND 260,000,000,000 including Value Added Tax Payable. In accordance with the Agreement terms and conditions, the ownership of 146 NVT Project will be transferred to investor only when investor already paid the Company VND 180,000,000,000 and the Agreement has been notarised. As at the date of this report, the Company already received VND 35,000,000,000, and the process to transfer the project's ownership is expected to be completed by 30 June 2014.

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



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant




Trương Minh Thuận
General Director

27 March 2014