

Investment and Trading of Real Estate Joint Stock Company

Separate financial statements

31 December 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 incorporated under the Law on Enterprise of Vietnam pursuant to 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 in accordance with the 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 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

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

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 separate financial statements of the Company for the year ended 31 December 2014.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate 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 separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2014 and of the separate results of its operations and its separate 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 separate financial statements.

As disclosed in Note 12.1 to the separate financial statements, the Company is a parent company of a subsidiary and that the consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2014 prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements have been issued separately.

Users of these separate financial statements should read them together with the said consolidated financial statements of the Group for the year ended 31 December 2014 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

For and on behalf of the management:



Trương Minh Thuan
General Director

25 March 2015

Reference: 60792124/16997733

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying separate financial statements of Investment and Trading of Real Estate Joint Stock Company ("the Company") as prepared on 25 March 2015 and set out on pages 5 to 39, which comprise the separate balance sheet as at 31 December 2014, and the separate income statement and separate 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 separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate 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 separate 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 separate financial statements.

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



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Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2014, and of the separate results of its operations and its separate 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 separate financial statements.

Emphasis of matter

As disclosed in Note 2.1 to the separate financial statements, the Company is a parent company with a subsidiary and that the consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2014 prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements have been issued separately. We have audited the said consolidated financial statements and expressed an unqualified opinion thereon in our independent auditors' report dated 25 March 2015. Users of the accompanying separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.



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

25 March 2015

SEPARATE BALANCE SHEET
as at 31 December 2014

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,772,068,894,647	1,896,489,067,708
110	I. Cash	4	8,701,151,916	2,174,440,899
111	1. Cash		8,701,151,916	2,174,440,899
130	II. Current accounts receivable		151,863,115,295	214,981,095,874
131	1. Trade receivables	5	30,207,599,385	50,558,358,177
132	2. Advances to suppliers	6	86,158,710,410	94,130,793,127
135	3. Other receivables	7	43,133,552,328	81,729,153,198
139	4. Provision for doubtful debts	5, 7	(7,636,746,828)	(11,437,208,628)
140	III. Inventories	8	1,606,914,025,090	1,674,373,047,835
141	1. Inventories		1,620,571,457,343	1,998,175,690,897
149	2. Provision for obsolete inventories		(13,657,432,253)	(323,802,643,062)
150	IV. Other current assets		4,590,602,346	4,960,483,100
154	1. Tax and other receivables from the State	27.1	1,011,894,796	-
158	2. Other current assets		3,578,707,550	4,960,483,100
200	B. NON-CURRENT ASSETS		427,183,570,401	446,465,593,460
220	I. Fixed assets		54,577,551,022	56,015,216,426
221	1. Tangible fixed assets	9	17,004,472,772	18,442,138,176
222	Cost		35,936,166,201	35,936,166,201
223	Accumulated depreciation		(18,931,693,429)	(17,494,028,025)
227	2. Intangible 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)
240	II. Investment properties	11	61,696,692,627	77,279,816,603
241	1. Cost		76,700,100,188	91,381,942,544
242	2. Accumulated depreciation		(15,003,407,561)	(14,102,125,941)
250	III. Long-term investments	12	309,512,581,866	311,945,790,639
251	1. Investments in a subsidiary	12.1	34,000,000,000	34,000,000,000
252	2. Investments in associates	12.2	239,448,938,645	239,448,938,645
258	3. Other long-term investments	12.3	47,755,320,000	49,955,320,000
259	4. Provision for long-term investments	12.2, 12.3	(11,691,676,779)	(11,458,468,006)
260	IV. Other long-term assets		1,396,744,886	1,224,769,792
261	1. Long-term prepaid expenses		-	104,974,650
262	2. Deferred tax assets	27.2	958,784,886	1,057,795,142
268	3. Other long-term assets		437,960,000	62,000,000
270	TOTAL ASSETS		2,199,252,465,048	2,342,954,661,168

SEPARATE BALANCE SHEET (continued)
as at 31 December 2014

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		708,778,549,373	864,313,286,720
310	I. Current liabilities		502,232,448,624	693,324,904,867
311	1. Short-term loans	14	141,925,584,720	258,526,721,800
312	2. Trade payables	15	66,579,490,206	70,151,820,814
313	3. Advances from customers	16	225,694,680,747	255,814,472,625
314	4. Statutory obligations	17	29,361,725,448	50,141,668,424
316	5. Accrued expenses	18	9,433,745,598	16,040,004,701
319	6. Other payables	19	21,338,549,753	33,935,458,916
319	7. Unearned revenue		6,858,974,851	7,319,910,286
320	8. Short-term provision		1,533,181,819	1,533,181,819
323	9. Bonus and welfare fund		(493,484,518)	(138,334,518)
330	II. Non-current liabilities		206,546,100,749	170,988,381,853
333	1. Other long-term liabilities	20	131,450,571,808	4,971,079,520
334	2. Long-term loans	21	75,095,528,941	166,017,302,333
400	B. OWNERS' EQUITY		1,490,473,915,675	1,478,641,374,448
410	I. Capital	22.1	1,490,473,915,675	1,478,641,374,448
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		(222,230,287,201)	(234,062,828,428)
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,199,252,465,048	2,342,954,661,168



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Truong Minh Thuan
General Director

25 March 2015

SEPARATE INCOME STATEMENT
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	23.1	451,293,663,091	209,318,368,414
10	2. Net revenue from sale of goods and rendering of services		451,293,663,091	209,318,368,414
11	3. Cost of goods sold and services rendered	24	(410,311,899,102)	(423,313,677,592)
20	4. Gross profit (loss) from sale of goods and rendering of services		40,981,763,989	(213,995,309,178)
21	5. Financial income	23.2	8,465,381,061	2,523,092,817
22	6. Financial expenses	25	(22,539,951,791)	(37,987,031,342)
23	<i>In which: Interest expense</i>		(22,166,604,493)	(35,944,507,529)
24	7. Selling expenses		(10,594,211,371)	(2,275,870,175)
25	8. General and administration expenses		(9,943,372,607)	(22,670,980,676)
30	9. Operating profit (loss)		6,369,609,281	(274,406,098,554)
31	10. Other income	26	11,573,095,493	2,567,967,002
32	11. Other expenses	26	(6,011,153,291)	(7,595,667,546)
40	12. Other profit (loss)	26	5,561,942,202	(5,027,700,544)
50	13. Profit (loss) before tax		11,931,551,483	(279,433,799,098)
51	14. Current corporate income tax expense	27.1	-	-
52	15. Deferred income tax expense	27.2	(99,010,256)	(17,545,774,367)
60	16. Net profit (loss) after tax		11,832,541,227	(296,979,573,465)


Pham Van Khanh
Preparer

Doan Huu Chi
Chief Accountant

Thương Minh Thuận
General Director

25 March 2015

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2014

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit (loss) before tax		11,931,551,483	(279,433,799,098)
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	9, 11	4,842,017,403	5,270,898,273
03	(Reversal of provisions) provisions		(3,567,253,027)	248,943,752,426
05	Profits from investing activities		(8,465,379,550)	(1,677,875,229)
06	Interest expense	25	22,166,604,493	35,944,507,529
08	Operating profit before changes in working capital		26,907,540,802	9,047,483,901
09	Decrease in receivables		66,581,163,133	108,483,652,235
10	Decrease (increase) in inventories		79,637,794,722	(75,486,246,259)
11	Increase in payables		92,222,973,957	10,656,615,148
12	Decrease in prepaid expenses		104,974,650	2,150,128,872
13	Interest paid		(39,475,677,315)	(56,191,845,527)
14	Corporate income tax paid	27.1	(22,570,578,010)	(18,845,520,719)
16	Other cash outflows from operating activities		(355,150,000)	(482,823,944)
20	Net cash from (used in) operating activities		203,053,041,939	(20,668,556,293)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
22	Proceeds from disposal of fixed assets		-	954,545,454
26	Proceeds from sale of investments in other entities		9,693,546,000	29,835,000,000
27	Interest and dividends received		1,303,033,550	1,724,237,931
30	Net cash from investing activities		10,996,579,550	32,513,783,385
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		50,379,244,917	93,992,945,471
34	Repayment of borrowings		(257,902,155,389)	(115,356,496,773)
36	Dividends paid	22.2	-	(1,589,100)
40	Net cash used in financing activities		(207,522,910,472)	(21,365,140,402)

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

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase (decrease) in cash		6,526,711,017	(9,519,913,310)
60	Cash at beginning of year	4	2,174,440,899	11,694,354,209
70	Cash at end of year	4	8,701,151,916	2,174,440,899



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

25 March 2015

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

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 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 in accordance with the 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 number of the Company's employees as at 31 December 2014 is 106 (31 December 2013: 125).

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

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

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

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

The Company is the parent company of a subsidiary listed in Note 12.1 of Notes to the separate financial statements and the consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2014 prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements have been issued separately.

Users of these separate financial statements should read them together with the consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

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

2. BASIS OF PREPARATION (continued)

2.2. Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

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

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 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. |

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Inventories* (continued)

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc.) of 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 separate income statement.

3.3 *Receivables*

Receivables are presented in the separate 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 amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases and decreases to the provision balance are recorded in the separate income statement.

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

3.5 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

Land use rights

Land use rights are recorded as an intangible asset on the separate balance sheet as the Company obtained the land use right certificate prior to 2003 according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for its intended use and is not amortised given indefinite useful life.

3.6 *Depreciation and amortisation*

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

Buildings and structures	10 – 25 years
Machinery and equipment	2 – 10 years
Means of transportation	5 – 10 years
Office equipment	3 – 5 years
Computer software	3 years

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Depreciation and amortisation* (continued)

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.

3.7 *Investment properties*

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

Subsequent expenditures 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 Company.

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

Buildings	25 – 50 years
-----------	---------------

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

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

3.8 *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 period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate 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.

3.10 *Investments*

Investment in a subsidiary

Investments in a subsidiary over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiary arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Investments* (continued)

Investments in associates

Investments in associates over which the Company has significant influence are accounted for under the cost method of accounting.

Distributions from the accumulated net profits of the associates arising subsequent to the date of acquisition by the Company are recognized as income in the separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Investments in securities and other investments

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

Provision for diminution in value of investments

Provision is made for any loss-making operations of the associates at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC on 7 December 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the separate 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 Company.

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 been being in service up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service 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 balance sheet date. Any changes to the accrued amount will be taken to the income statement.

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

3.13 *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 Company's own equity instruments.

3.14 *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 Company maintains the following reserve funds which are appropriated from the Company'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 Company'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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Appropriation of net profit* (continued)

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 encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the separate balance sheet.

3.15 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 year 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 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 directors are reasonably certain that the tenant will exercise that option.

Premiums received to terminate leases are recognized in the separate 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 Company's entitlement as an investor to receive the dividend is established.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 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 separate income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

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

Deferred income tax

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

Deferred tax liabilities are recognised for all taxable temporary differences. 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 income 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.

Deferred tax is charged or credited to the separate 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 Company 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.

3.17 Financial instruments

Initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009, providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the separate financial statements, as financial assets at fair values through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Company determines the classification of its financial assets at initial recognition.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Financial instruments

Initial recognition and presentation (continued)

Financial liabilities

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

All financial liabilities are recognised initially at cost, net of with the directly attributable transaction costs.

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

4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	5,869,666,613	824,576,999
Cash in banks	2,831,485,303	1,349,863,900
TOTAL	8,701,151,916	2,174,440,899

5. TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Receivables from sales of land lots and apartments (*)	13,082,214,818	21,490,127,209
Receivables from provision of construction services	12,195,373,692	13,712,421,950
Others	4,930,010,875	15,355,809,018
TOTAL	30,207,599,385	50,558,358,177
Provision for doubtful debts	(4,975,686,828)	(8,776,148,628)
NET	25,231,912,557	41,782,209,549

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

5. TRADE RECEIVABLES (continued)

(*) 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>
An Khang Building	5,135,300,366	5,810,857,333
Thinh Vuong Building	2,767,550,824	6,628,507,281
Phong Phu Project	2,713,591,700	3,872,903,450
6B Project	2,186,591,928	3,177,212,920
Binh Hoa Project	279,180,000	1,309,698,225
An Cu Building	-	690,948,000
TOTAL	<u>13,082,214,818</u>	<u>21,490,127,209</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	8,776,148,628	4,116,752,869
Provision during the year	-	4,859,395,759
Reversal during the year	(3,800,461,800)	(200,000,000)
At end of year	<u>4,975,686,828</u>	<u>8,776,148,628</u>

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	27,522,084,707	32,240,233,431
Thien Phu, Dak Nong Project	20,200,000,000	20,000,000,000
Long Binh Ward – District 9 Project	19,899,197,600	19,899,197,600
Related party (<i>Note 28</i>)	825,804,000	570,253,406
Others	17,711,624,103	21,421,108,690
TOTAL	<u>86,158,710,410</u>	<u>94,130,793,127</u>

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

7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Withdrawal of investments in real estate projects of the following entities:		
<i>Saigon Cho Lon Investment & Real Estate Joint Stock Company</i>	33,450,000,000	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>	3,600,000,000	7,200,000,000
Receivable from related parties (Note 28)	-	10,000,000,000
Advance for Tang Nhon Phu Project	1,592,901,607	1,955,059,831
Others	-	24,044,636,422
	8,090,650,721	7,679,456,945
TOTAL	43,133,552,328	81,729,153,198
Provision for doubtful debts	(2,661,060,000)	(2,661,060,000)
NET	40,472,492,328	79,068,093,198

8. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Real estate properties and construction projects in progress (*)	1,620,571,457,343	1,998,175,690,897
Provision for decline in value of inventories (**)	(13,657,432,253)	(323,802,643,062)
NET	1,606,914,025,090	1,674,373,047,835

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

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Long Thoi - Nha Be Project	1,017,272,306,440	793,074,400,703
Ly Chinh Thang Project (i)	219,147,715,595	211,165,668,290
6A Project	128,437,610,554	125,865,922,342
Long Phuoc, District 9 Project (ii)	114,950,492,919	128,041,872,919
Lot 6, 7 & 8 - 6B Project	55,115,138,475	78,738,329,225
Binh Trung Dong – District 2 Project	28,848,790,056	28,848,790,056
Tang Nhon Phu Project	8,756,067,510	30,735,986,018
146 Nguyen Van Troi, Phu Nhuan Project	-	551,953,828,474
Others	48,043,335,794	49,750,892,870
TOTAL	1,620,571,457,343	1,998,175,690,897

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

8. INVENTORIES (continued)

- (i) Land use right at No. 106 Ly Chinh Thang Street, District 3 was pledged to obtain the loan from Joint Stock Commercial Bank for Investment and Development of Vietnam (Notes 14 and 21).
- (ii) Land use right of 39,228.07 square meters on total land of 155,365 square meters Long Phuoc, District 9 project was pledged to obtain the loan from Gia Dinh Development Investment Corporation (Note 14).

(**) Details of movements of provision for decline in value of inventories are as follows:

	<i>Current year</i>	<i>Previous year</i>
		<i>VND</i>
At beginning of year	323,802,643,062	82,895,956,742
Add: Provision created during the year	-	240,906,686,320
Less: Utilisation during the year	<u>(310,145,210,809)</u>	<u>-</u>
At end of year	<u>13,657,432,253</u>	<u>323,802,643,062</u>

Investment and Trading of Real Estate Joint Stock Company

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

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	VND Total
Cost:					
Beginning and ending balances	30,007,311,638	378,456,812	4,254,115,509	1,296,282,242	35,936,166,201
<i>In which:</i>					
Fully depreciated	4,320,356,986	272,144,669	844,310,602	1,126,662,693	6,563,474,950
Accumulated depreciation:					
Beginning balance	13,443,075,564	340,931,926	2,502,034,842	1,207,985,693	17,494,028,025
Depreciation for the year	1,027,478,186	21,262,429	340,980,491	47,944,298	1,437,665,404
Ending balance	14,470,553,750	362,194,355	2,843,015,333	1,255,929,991	18,931,693,429
Net carrying amount:					
Beginning balance	16,564,236,074	37,524,886	1,752,080,667	88,296,549	18,442,138,176
Ending balance	15,536,757,888	16,262,457	1,411,100,176	40,352,251	17,004,472,772

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

10. INTANGIBLE ASSET

	VND		
	<i>Indefinite land use rights (*)</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
Beginning and ending balances	37,573,078,250	37,700,000	37,610,778,250
<i>In which:</i>			
Fully amortisation	-	37,700,000	37,700,000
Accumulated amortisation:			
Beginning and ending balances	-	37,700,000	37,700,000
Net carrying amount:			
Beginning and ending balances	37,573,078,250	-	37,573,078,250

(*) 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 values of VND 26,471,477,820 and VND 11,101,600,430, respectively were pledged to obtain the loans from commercial banks (Note 14).

11. INVESTMENT PROPERTIES

	VND		
	<i>Buildings (*)</i>	<i>Houses</i>	<i>Total</i>
Cost:			
Beginning balance	89,723,082,708	1,658,859,836	91,381,942,544
Disposal	(14,681,842,356)	-	(14,681,842,356)
Ending balance	75,041,240,352	1,658,859,836	76,700,100,188
Accumulated depreciation:			
Beginning balance	12,443,266,105	1,658,859,836	14,102,125,941
Depreciation for the year	3,404,351,999	-	3,404,351,999
Disposal	(2,503,070,379)	-	(2,503,070,379)
Ending balance	13,344,547,725	1,658,859,836	15,003,407,561
Net carrying amount:			
Beginning balance	77,279,816,603	-	77,279,816,603
Ending balance	61,696,692,627	-	61,696,692,627

The fair values of the investment properties had not yet been formally assessed and determined as at 31 December 2014. 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 SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

11. INVESTMENT PROPERTIES (continued)

(*) Land use right and associate assets of An Khang apartment, An Phu An Khanh Town, An Phu Ward, District 2, Ho Chi Minh City were pledged to obtain the loan from Lien Viet Post Joint Stock Commercial Bank (Note 14).

Land use right and associate asset at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2 was pledged to obtain the loans from Vietnam Bank for Agriculture and Rural Development (Note 14).

12. LONG-TERM INVESTMENTS

	VND	
	Ending balance	Beginning balance
Investment in a subsidiary	34,000,000,000	34,000,000,000
Investments in associates	239,448,938,645	239,448,938,645
Other long-term investments	47,755,320,000	49,955,320,000
Provision for long-term investments	<u>(11,691,676,779)</u>	<u>(11,458,468,006)</u>
TOTAL	<u>309,512,581,866</u>	<u>311,945,790,639</u>

12.1 Investment in a subsidiary

Investment in a subsidiary represents the Company's investment in Intresco Construction Joint Stock Company ("IC") which is a shareholding company 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. As at 31 December 2014 and 2013, the Company hold 85% equity share in IC.

12.2 Investments in associates

Name	<u>Ending balance</u>		<u>Beginning balance</u>	
	Amount (VND)	% of interest	Amount (VND)	% of interest
Pham Gia Construction Limited Company	150,968,925,000	46.19	150,968,925,000	46.19
Saigon - Binh Duong Investment Corporation	67,480,013,645	22.49	67,480,013,645	22.49
Long Binh Construction – Trading – Producing JS Company	<u>21,000,000,000</u>	36.36	<u>21,000,000,000</u>	36.36
TOTAL	<u>239,448,938,645</u>		<u>239,448,938,645</u>	
Provision for diminution in value of investments	<u>(2,766,676,779)</u>		<u>(2,533,468,006)</u>	
NET	<u>236,682,261,866</u>		<u>236,915,470,639</u>	

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

12. LONG-TERM INVESTMENTS (continued)

12.3 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 Construction Development Joint Stock Company	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	18,882	188,820,000	18,882	188,820,000
Saigon Infrastructure Joint Stock Company	-	-	22,000	2,200,000,000
TOTAL		47,755,320,000		49,955,320,000
Provision for diminution in value of investments		(8,925,000,000)		(8,925,000,000)
NET		38,830,320,000		41,030,320,000

13. BORROWING COSTS

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expense (Note 25)	22,166,604,493	35,944,507,529
Capitalized as part of cost of real estate projects	16,848,715,502	24,926,563,922
TOTAL	39,015,319,995	60,871,071,451

14. SHORT-TERM LOANS

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Bank loans	102,192,020,720	78,525,142,674
Loans from other organization	30,000,000,000	57,000,000,000
Loans from individuals	9,733,564,000	16,430,214,000
Current portion of long-term loan (Note 21)	-	106,571,365,126
TOTAL	141,925,584,720	258,526,721,800

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

14. SHORT-TERM LOANS (continued)

Details of bank loans are as follows:

<i>Lenders</i>	<i>Ending balance</i>	<i>Principal repayment term</i>	<i>Interest rate</i>	<i>Description of collateral</i>
	VND		% p.a.	
Joint Stock Commercial Bank for Investment and Development of Vietnam				
Loan Contract No. 71/2012/HD/93512 dated 10 August 2012, loan Contract No. 109/2013/93512 dated 27 August 2013 and Official letter dated 25 February 2015	16,337,345,859	31 December 2015	9.7 to 11.5	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-201300607/HDTD dated 30 September 2013	48,900,000,000	From 24 September 2015 to 21 November 2015	11.5	Land use rights at No. 20 Nguyen Binh Khiem Street, Da Kao Ward, District 1, Ho Chi Minh City; land use right and associate asset at No. 531 Nguyen Duy Trinh Street, Binh Trung Dong Ward, District 2, Ho Chi Minh City (Notes 10 and 11)
Lien Viet Post Joint Stock Commercial Bank				
Loan Contract No. 157-13/HDHMTD-LienvietPostBank-HCM dated 17 July 2013 and loan Contract No. 270-14/HDTD-LPB-HCM dated 19 August 2014	36,954,674,861	From 29 April 2015 to 9 Oct 2015	10.5 to 12.5	Land use rights and associate assets at No. 16 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City; Land use right and associate assets of An Khang department, An Phu An Khanh Town, An Phu Ward, District 2, Ho chi Minh City (Notes 10 and 11)
TOTAL	102,192,020,720			

The Company obtained these loans to finance its real estate project development and working capital requirements.

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

14. SHORT-TERM LOANS (continued)

Details of loans from other organization 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			% p.a.	
Gia Dinh Development Investment Corporation (Note 28)					
Loan contract No. 376/DTKDN/HDVV dated 20 June 2011 and appendix No. 74/DTKDN/HDVV dated 9 February 2015	<u>30,000,000,000</u>	20 June 2015	To finance the land compensation for Long Thoi – Nha Be Project	10.5	Land use right of 39,228.07 square meters at Long Phuoc Ward, District 9, Ho Chi Minh City (Note 8)

Loans from individuals represent unsecured short-term loans amounting to VND 9,733,564,000 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 at interest rates 14% per annum.

15. TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Related party (Note 28)	40,610,290,414	41,848,285,110
Third parties	<u>25,969,199,792</u>	<u>28,303,535,704</u>
TOTAL	<u>66,579,490,206</u>	<u>70,151,820,814</u>

16. 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	103,084,029,000	103,384,029,000
Lot 6, 7 & 8 - 6B Project	74,539,337,007	92,462,253,696
Binh Trung Dong Project – District 2	9,459,508,000	10,082,708,000
Nhon Duc Commune, Nha Be District Project	-	11,000,000,000
Others	<u>38,611,806,740</u>	<u>38,885,481,929</u>
TOTAL	<u>225,694,680,747</u>	<u>255,814,472,625</u>

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

17. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Value-added tax	26,930,265,994	25,604,099,230
Personal income tax	37,552,163	189,266,198
Corporate income tax (Note 27.1)	-	21,558,683,214
Other taxes	2,393,907,291	2,789,619,782
TOTAL	<u>29,361,725,448</u>	<u>50,141,668,424</u>

18. ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Interest expense	8,840,018,328	15,880,004,701
Others	593,727,270	160,000,000
TOTAL	<u>9,433,745,598</u>	<u>16,040,004,701</u>

19. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Land compensation for Long Thoi – Nha Be Project payable to residents	6,418,555,000	3,450,875,298
Deposits received	3,939,171,207	6,623,318,344
Dividends payable	3,164,892,924	3,164,892,924
Maintenance fees collected on behalf of apartment's management committee	1,773,397,291	15,354,516,088
Others	6,042,533,331	5,341,856,262
TOTAL	<u>21,338,549,753</u>	<u>33,935,458,916</u>

20. OTHER LONG-TERM LIABILITIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Land compensation for Long Thoi Project payable to government	126,972,666,909	-
Severance allowance	2,675,788,575	2,943,177,781
Deposit for house rental	1,802,116,324	2,027,901,739
TOTAL	<u>131,450,571,808</u>	<u>4,971,079,520</u>

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

21. LONG-TERM LOANS

	<i>Ending balance</i>	<i>Beginning balance</i>
Loans from banks	<u>75,095,528,941</u>	<u>272,588,667,459</u>
<i>In which:</i>		
<i>Current portion</i>	-	106,571,365,126
<i>Non-current portion</i>	75,095,528,941	166,017,302,333

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>
	<i>VND</i>			<i>% p.a.</i>	
Joint Stock Commercial Bank for Investment and Development of Vietnam					
Loan Contract No.71/2012/HĐ/9 3512 dated 10 August 2012 and Official letter dated 22 July 2014	<u>75,095,528,941</u>	From 2 July 2017 to 11 July 2018	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)

Investment and Trading of Real Estate Joint Stock Company

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

22. OWNERS' EQUITY

22.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings (Accumulated losses)	Total	VND
Previous year:								
Beginning balance	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,559,466,833	63,264,795,544	1,775,620,947,913	
Net loss for the year	-	-	-	-	-	(296,979,573,465)	(296,979,573,465)	
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	(234,062,828,428)	1,478,641,374,448	
Current year:								
Beginning balance	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,907,517,340	(234,062,828,428)	1,478,641,374,448	
Net profit for the year	-	-	-	-	-	11,832,541,227	11,832,541,227	
Ending balance	690,866,880,000	974,114,436,600	(9,825,117,611)	30,640,486,547	26,907,517,340	(222,230,287,201)	1,490,473,915,675	

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

22. OWNERS' EQUITY (continued)

22.2 Capital transactions with owners and distribution of dividends and profits

	Current year	VND Previous year
Share capital		
Beginning and ending balances	690,866,880,000	690,866,880,000
Dividends declared	-	-
Dividends paid	-	1,589,100

22.3 Shares – ordinary shares

	Ending balance	Shares Beginning balance
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)

23. REVENUE

23.1 Revenue from sale of goods and rendering of services

	Current year	VND Previous year
Net revenue	451,293,663,091	209,318,368,414
<i>Of which:</i>		
<i>Sale of real estate properties</i>	355,936,418,693	121,938,328,234
<i>Revenue from construction services</i>	77,558,204,909	70,236,275,123
<i>Revenue from other services</i>	17,799,039,489	17,143,765,057

23.2 Financial income

	Current year	VND Previous year
Gain from disposal of investments	7,493,546,000	-
Dividends received	772,062,000	2,039,323,000
Interest income	199,771,550	236,868,931
Others	1,511	246,900,886
TOTAL	8,465,381,061	2,523,092,817

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

24. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of real estate properties	328,203,784,897	345,619,867,710
Cost of construction	73,795,009,987	68,372,722,461
Cost of services rendered	8,313,104,218	9,321,087,421
TOTAL	<u>410,311,899,102</u>	<u>423,313,677,592</u>

25. FINANCIAL EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expense	22,166,604,493	35,944,507,529
Provision for diminution in value of investments	256,704,773	716,610,347
Loss from disposal of investment	-	1,300,000,000
Others	116,642,525	25,913,466
TOTAL	<u>22,539,951,791</u>	<u>37,987,031,342</u>

26. OTHER INCOME AND EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Other income	11,573,095,493	2,567,967,002
Penalty for late payment and cancellation of apartment or project sale contracts	10,099,865,704	1,078,395,312
Proceeds from disposal of fixed assets	-	954,545,454
Others	1,473,229,789	535,026,236
Other expenses	(6,011,153,291)	(7,595,667,546)
Cancellation of compensation contracts	(3,254,705,400)	-
Loss from transfer of portion land lots of Long Phuoc Project	(1,019,899,852)	-
Loss due to change in project programming	-	(2,089,114,681)
Cost of project termination	-	(3,922,534,308)
Net book value of disposed fixed assets	-	(441,682,156)
Others	(1,736,548,039)	(1,142,336,401)
NET	<u>5,561,942,202</u>	<u>(5,027,700,544)</u>

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

27. CORPORATE INCOME TAX

The Company has the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits (2013: 25%).

The Company'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 separate financial statements could change at a later date upon final determination by the tax authorities.

27.1 Current CIT

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

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

	VND	
	Current year	Previous year
Profit (loss) before tax	11,931,551,483	(279,433,799,098)
Adjustments to (decrease) increase accounting profit (loss):		
Non-deductible expenses	20,822,402,484	30,297,703,266
Provision for investment in associates	233,208,773	716,610,347
Provision for diminution in value of inventories	(310,145,210,809)	240,906,686,320
Change in provision for doubtful debt	(3,800,461,800)	7,320,455,759
Dividends received	(2,633,608,000)	(2,039,323,000)
Change in provision for severance allowance	(267,389,206)	(367,593,819)
Realised internal profit	(182,657,406)	-
Estimated current tax loss	(284,042,164,481)	(2,599,260,225)
Estimated current CIT	-	-
CIT payable at beginning of year	21,558,683,214	40,407,003,933
CIT paid during the year	(22,570,578,010)	(18,845,520,719)
Provisional CIT made (1% over invoiced revenue)	-	(2,800,000)
CIT (overpaid) payable at end of year	(1,011,894,796)	21,558,683,214

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

27. CORPORATE INCOME TAX (continued)

27.2 Deferred tax

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

	<i>Separate balance sheet</i>		<i>Separate income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Unrealised internal profit	370,111,399	410,296,029	(40,184,630)	(55,949,458)
Accrual for severance pay	588,673,487	647,499,113	(58,825,626)	(180,193,787)
Provision for diminution in value of inventory	-	-	-	(17,309,631,122)
Deferred tax assets	958,784,886	1,057,795,142		
Deferred income tax expense to separate income statement			(99,010,256)	(17,545,774,367)

27.3 Tax losses carried forward

The Company is eligible to carry tax losses forward to offset against taxable profits arising within five years subsequent to the year in which the loss was incurred. At 31 December 2014, the Company had accumulated tax losses of VND 319,577,035,935 (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 31 December 2014</i>	<i>Forfeited</i>	<i>Unutilized at 31 December 2014</i>
2011	2016	42,298,623,050	(9,363,011,821)	-	32,935,611,229
2013	2018	2,599,260,225	-	-	2,599,260,225
2014	2019	284,042,164,481	-	-	284,042,164,481
TOTAL		328,940,047,756	(9,363,011,821)	-	319,577,035,935

Estimated tax loss as per the Company's CIT declaration for the year ended 31 December 2014 has not been audited by the local tax authorities as of the date of these separate 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 SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014

28. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with a related party during the year were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND Amount</i>
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction service	15,465,939,094
		Sale of land use right and associate assets	3,758,172,727
Gia Dinh Development Investment Corporation	Related party	Interest expense	5,180,931,507
		Dividends received	743,750,000

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>Advance to supplier</i>			
Intresco Construction Joint Stock Company	Subsidiary	Advance for rendering of construction service	<u>825,804,000</u>
<i>Other receivable</i>			
Saigon - Binh Duong Investment Corporation	Associate	Interest income	<u>1,592,901,607</u>
<i>Trade payable</i>			
Intresco Construction Joint Stock Company	Subsidiary	Rendering of construction service	<u>(40,610,290,414)</u>
<i>Loan</i>			
Gia Dinh Development Investment Corporation	Related party	Loan	<u>(30,000,000,000)</u>

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	<u>1,017,248,000</u>	<u>1,167,658,000</u>

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

29. CAPITAL COMMITMENT

At 31 December 2014, the Company had outstanding commitments of VND 786,659,684,456 relating to the acquisition costs to obtain five (5) land lots Ly Chinh Thang Project and VND 268,057,023,613 (31 December 2013: VND 81,241,220,833) relating to the outstanding construction contracts of apartments building and development of infrastructure of the ongoing residential projects.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Company 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 values 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 2014 and 31 December 2013 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 values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company 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 Company's profit before tax and balance sheet items are affected through the impact on floating rate borrowings as follows:

			VND
	<i>Increase/decrease in basis points</i>	<i>Effect on profit before tax</i>	<i>Effect on balance sheet items</i>
For the year ended 31 December 2014			
VND	+100	(879,468,208)	1,377,754,448
VND	-100	879,468,208	(1,377,754,448)
For the year ended 31 December 2013			
VND	+200	(4,446,135,591)	4,023,000,483
VND	-200	4,446,135,591	(4,023,000,483)

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

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Equity price risk

The Company is not exposed to equity securities price risk.

Real estate risk

The Company 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 Company 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 Company 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 property

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

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed in accordance with the Company's policy. The Company'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 Company evaluate the concentration of credit risk in respect to bank deposit as low.

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

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

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

The table below summarizes the maturity profile of the Company'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>
Ending balance			
Loans and borrowings	141,925,584,720	75,095,528,941	217,021,113,661
Trade payables	66,579,490,206	-	66,579,490,206
Other payables and accrued expenses	30,772,295,351	-	30,772,295,351
	<u>239,277,370,277</u>	<u>75,095,528,941</u>	<u>314,372,899,218</u>
Beginning balance			
Loans and borrowings	258,526,721,800	166,017,302,333	424,544,024,133
Trade payables	70,151,820,814	-	70,151,820,814
Other payables and accrued expenses	52,003,365,356	-	52,003,365,356
	<u>380,681,907,970</u>	<u>166,017,302,333</u>	<u>546,699,210,303</u>

The Company 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 Company has pledged its fixed assets and inventories in order to fulfil the collateral requirements for the loans obtained from commercial banks (*Notes 14 and 21*). 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 Company did not hold collateral at 31 December 2014 and 31 December 2013.

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

31. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Carrying amount				Fair value		VND
	Ending balance		Beginning balance		Ending balance	Beginning balance	
	Cost	Provision	Cost	Provision			
Financial assets							
Trade receivables	30,207,599,385	(4,975,686,828)	50,558,358,177	(8,776,148,628)	25,231,912,557	41,782,209,549	
Receivable from related parties	1,592,901,607	-	1,955,059,831	-	1,592,901,607	1,955,059,831	
Other receivables	41,540,650,721	(2,661,060,000)	84,570,865,567	(2,661,060,000)	38,879,590,721	81,909,805,567	
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	41,030,320,000	
Cash	8,701,151,916	-	2,174,440,899	-	8,701,151,916	2,174,440,899	
TOTAL	129,797,623,629	(16,561,746,828)	189,214,044,474	(20,362,208,628)	113,235,876,801	168,851,835,846	
Financial liabilities							
Loans and borrowings							
Payable to related parties							
Trade payable							
Other current financial liabilities							
TOTAL	314,372,899,218	546,699,210,303	546,699,210,303	314,372,899,218	314,372,899,218	546,699,210,303	

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

31. 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 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.

32. EVENTS AFTER THE BALANCE SHEET DATE

There has been no matter or circumstance that has arisen after the balance date that has affected or may significantly affect the separate operations of the Company, the separate results of those operations or the separate financial position of the Company in subsequent periods.



Pham Van Khanh
Preparer



Doan Huu Chi
Chief Accountant



Trương Minh Thuận
General Director

25 March 2015