

Phu Nhuan Jewelry Joint Stock Company

Interim consolidated financial statements

30 June 2014

STATEMENT OF FINANCIAL POSITION

STATEMENT OF INCOME

STATEMENT OF CASH FLOWS

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Phu Nhuan Jewelry Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Phu Nhuan Jewelry Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0300521758 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004, as amended.

The Company was listed on the Ho Chi Minh City Stock Exchange ("HOSE") from 23 March 2009 pursuant to the Decision No. 129/DKNY issued by the General Director of HOSE on 26 December 2008.

The current principal activities of the Company are to trade gold, silver, jewelry and gemstones, and to import and export jewelry in gold, silver and gemstones.

The Company's head office is located at 170E Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. In addition, the Company also has one hundred and fifty three (153) retail shops located in various provinces in Vietnam.

BOARD OF DIRECTORS

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

Mrs Cao Thi Ngoc Dung	Chairwoman	
Mr Nguyen Vu Phan	Vice Chairman	
Mrs Nguyen Thi Cuc	Member	
Mr Nguyen Tuan Quynh	Member	
Mrs Nguyen Thi Bich Ha	Member	
Mrs Pham Vu Thanh Giang	Member	
Mrs Nguyen Thi Huong Giang	Member	appointed 3 March 2014
Mr Andy Ho	Member	resigned 3 March 2014

BOARD OF SUPERVISION

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

Mr Pham Van Tan	Head of the Board of Supervision
Mrs Nguyen Ngoc Hue	Member
Mr Tran Van Dan	Member

MANAGEMENT

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

Mrs Cao Thi Ngoc Dung	General Director
Mr Le Huu Hanh	Deputy General Director
Mrs Nguyen Thi Cuc	Deputy General Director
Mr Nguyen Vu Phan	Deputy General Director
Mrs Pham Thi My Hanh	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mrs Cao Thi Ngoc Dung.

AUDITORS

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

Phu Nhuan Jewelry Joint Stock Company

REPORT OF MANAGEMENT

Management of Phu Nhuan Jewelry Joint Stock Company ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the six-month period ended 30 June 2014.

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

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

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2014 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

For and on behalf of management:



Cao Thị Ngọc Dung
General Director

26 August 2014

Reference: 60984885/16997233/HN

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: **The Shareholders of Phu Nhuan Jewelry Joint Stock Company**

We have reviewed the interim consolidated financial statements of Phu Nhuan Jewelry Joint Stock Company and its subsidiaries ("the Group"), as set out on pages 4 to 39 which comprise the interim consolidated balance sheet as at 30 June 2014, and the interim consolidated income statement and interim consolidated cash flow statement for the six-month period then ended, and the notes thereto.

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

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Group as at 30 June 2014, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

Ernst & Young Vietnam Limited



Duong Le Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2013-004-1



Nguyen Thanh Sang
Auditor
Audit Practicing Registration Certificate
No. 1541-2013-004-1

Ho Chi Minh City, Vietnam

26 August 2014

INTERIM CONSOLIDATED BALANCE SHEET
as at 30 June 2014

VND

Code	ASSETS	Notes	30 June 2014	31 December 2013
100	A. CURRENT ASSETS		1,878,285,761,333	1,717,592,172,977
110	I. Cash and cash equivalents	4	472,511,893,599	507,821,745,184
111	1. Cash		62,730,514,007	53,915,192,251
112	2. Cash equivalents		409,781,379,592	453,906,552,933
130	II. Current accounts receivable	5	76,601,725,569	76,020,840,245
131	1. Trade receivables		51,658,048,102	52,341,746,512
132	2. Advances to suppliers		10,852,648,663	8,912,739,502
135	3. Other receivables		22,837,857,963	23,485,827,790
139	4. Provision for doubtful debts		(8,746,829,159)	(8,719,473,559)
140	III. Inventories		1,287,960,873,111	1,087,344,363,095
141	1. Inventories	6	1,287,960,873,111	1,087,344,363,095
150	IV. Other current assets		41,211,269,054	46,405,224,453
151	1. Short-term prepaid expenses		22,733,421,462	19,924,285,797
152	2. Value-added tax deductible		4,728,913,186	12,001,552,590
154	3. Tax and other receivables from the State		-	1,845,657,246
158	4. Other current assets	7	13,748,934,406	12,633,728,820
200	B. NON-CURRENT ASSETS		1,230,465,405,174	1,239,106,817,480
220	I. Fixed assets		481,197,370,522	474,305,452,792
221	1. Tangible fixed assets	8	182,311,549,310	174,533,720,783
222	Cost		297,952,994,763	290,255,974,492
223	Accumulated depreciation		(115,641,445,453)	(115,722,253,709)
227	2. Intangible fixed assets	9	290,147,180,987	290,655,810,463
228	Cost		292,131,534,966	292,453,176,966
229	Accumulated amortization		(1,984,353,979)	(1,797,366,503)
230	3. Construction in progress		8,738,640,225	9,115,921,546
240	II. Investment properties	10	75,221,657,375	75,703,549,357
241	1. Cost		77,561,239,699	77,473,939,864
242	2. Accumulated depreciation		(2,339,582,324)	(1,770,390,507)
250	III. Long-term investments	11	578,850,613,936	589,705,137,986
252	1. Investments in associates		79,887,705,536	80,652,729,586
258	2. Other long-term investments		513,512,908,400	523,602,408,400
259	3. Provision for long-term investments		(14,550,000,000)	(14,550,000,000)
260	IV. Other long-term assets		14,679,616,516	14,403,411,252
261	1. Long-term prepaid expenses	12	13,627,956,402	13,701,560,928
262	2. Deferred tax assets	24.2	1,051,660,114	701,850,324
269	V. Goodwill	13	80,516,146,825	84,989,266,093
270	TOTAL ASSETS		3,108,751,166,507	2,956,698,990,457


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

VND

Code	RESOURCES	Notes	30 June 2014	31 December 2013
300	A. LIABILITIES		1,735,715,117,673	1,550,680,871,025
310	I. Current liabilities		1,588,704,215,454	1,415,480,783,876
311	1. Short-term loans	14	1,356,869,058,516	1,163,972,366,976
312	2. Trade payables	15	57,210,905,208	111,132,232,389
313	3. Advances from customers		5,952,591,383	8,483,360,904
314	4. Statutory obligations	16	35,658,705,260	48,283,681,689
315	5. Payables to employees		32,363,732,087	11,299,793,720
316	6. Accrued expenses		5,057,801,905	3,524,676,090
319	7. Other payables	17	54,492,863,918	31,966,060,795
323	8. Bonus and welfare fund		41,098,557,177	36,818,611,313
330	II. Non-current liabilities		147,010,902,219	135,200,087,149
333	1. Other long-term liabilities		5,617,772,500	5,617,050,500
334	2. Long-term loans	18	141,393,129,719	129,583,036,649
400	B. OWNERS' EQUITY		1,279,913,667,155	1,318,220,581,226
410	I. Capital	19	1,279,913,667,155	1,318,220,581,226
411	1. Share capital		755,970,350,000	755,970,350,000
412	2. Share premium		105,021,650,000	105,021,650,000
414	3. Treasury shares		(7,090,000)	(7,090,000)
417	4. Investment and development fund		166,070,897,000	126,070,897,000
418	5. Financial reserve fund		67,224,960,263	57,634,153,783
420	6. Undistributed earnings		185,632,899,892	273,530,620,443
439	C. MINORITY INTERESTS		93,122,381,679	87,797,538,206
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,108,751,166,507	2,956,698,990,457

OFF BALANCE SHEET ITEM

ITEM	30 June 2014	31 December 2013
Foreign currencies:		
- United States dollar ("US\$")	54,230	58,203
- Gold taels	9,264	6,770


 Duong Quang Hai
Preparer


 Dang Thi Lai
Chief Accountant


 Cao Thi Ngoc Dung
General Director

26 August 2014

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
01	1. Revenue from sale of goods and rendering of services	20.1	4,968,075,298,030	3,844,087,040,369
02	2. Deductions	20.1	(43,476,519,121)	(25,453,724,342)
10	3. Net revenue from sale of goods and rendering of services	20.1	4,924,598,778,909	3,818,633,316,027
11	4. Cost of goods sold and services rendered	21	(4,481,627,096,523)	(3,505,618,417,515)
20	5. Gross profit from sale of goods and rendering of services		442,971,682,386	313,014,898,512
21	6. Finance income	20.2	15,089,473,461	9,783,788,865
22	7. Finance expenses	22	(44,987,897,561)	(41,956,040,582)
23	- In which: Interest expense		(40,758,353,654)	(41,481,194,564)
24	8. Selling expenses		(166,558,596,026)	(121,472,632,746)
25	9. General and administrative expenses		(61,663,419,541)	(44,043,680,375)
30	10. Operating profit		184,851,242,719	115,326,333,674
31	11. Other income		1,062,213,431	707,814,577
32	12. Other expenses		(667,050,360)	(464,019,086)
40	13. Other profit		395,163,071	243,795,491
45	14. Share of (loss) profit of associates		(765,024,050)	2,930,326,289
50	15. Profit before tax		184,481,381,740	118,500,455,454
51	16. Current corporate income tax expense	24.1	(38,339,935,344)	(29,598,394,828)
52	17. Deferred income tax benefit	24.2	302,725,206	654,407,179
60	18. Net profit after tax		146,444,171,602	89,556,467,805
61	Attributable to: Minority interests		8,676,828,073	-
62	Equity holders of the Company		137,767,343,529	89,556,467,805
70	19. Diluted and basic earnings per share (VND/share)	19.4	1,822	1,244

Duong Quang Hai
Preparer

Dang Thi Lai
Chief Accountant

Cao Thi Ngoc Dung
General Director

26 August 2014

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

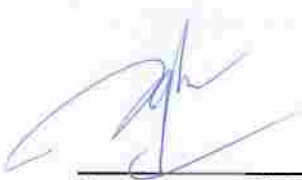
VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		184,481,381,740	118,500,455,454
	<i>Adjustments for:</i>			
02	Depreciation and amortization	8, 9, 10,13	16,413,752,904	8,804,074,508
04	Unrealised foreign exchange losses		-	256,682,751
05	Profits from investing activities		(11,490,675,576)	(3,286,300,192)
06	Interest expense	22	40,758,353,654	41,481,194,564
08	Operating profit before changes in working capital		230,162,812,722	165,756,107,085
09	Decrease (increase) in receivables		7,375,121,156	(7,581,251,055)
10	Increase in inventories		(200,616,510,016)	(68,164,462,893)
11	Decrease in payables		(18,627,191,883)	(1,906,221,950)
12	Increase in prepaid expenses		(2,735,531,137)	(1,515,490,296)
13	Interest paid		(36,887,421,057)	(37,009,789,071)
14	Corporate income tax paid	24.1	(51,236,159,886)	(23,393,290,698)
16	Other cash outflows from operating activities		(16,901,659,736)	(16,342,259,971)
20	Net cash flows (used in) from operating activities		(89,466,539,837)	9,843,341,151
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(18,350,659,384)	(10,770,258,947)
22	Proceeds from disposals of fixed assets		-	65,427,272
24	Proceeds from sale of long- term investment		7,500,000,000	-
27	Interest and dividends received		14,845,199,626	682,512,427
30	Net cash flows from (used in) investing activities		3,994,540,242	(10,022,319,248)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		3,041,151,149,321	2,071,291,340,200
34	Repayment of borrowings		(2,836,444,364,711)	(2,209,076,436,939)
36	Dividends paid	19.2	(151,192,652,000)	(93,597,185,500)
37	Dividends paid to minority interest		(3,351,984,600)	-
40	Net cash flows from (used in) financing activities		50,162,148,010	(231,382,282,299)

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

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
50	Net decrease in cash and cash equivalents		(35,309,851,585)	(231,561,260,396)
60	Cash and cash equivalents at beginning of period		507,821,745,184	468,655,700,806
70	Cash and cash equivalents at end of period	4	472,511,893,599	237,094,440,410


Duong Quang Hai
Preparer


Dang Thi Lai
Chief Accountant


Cao Thi Ngoc Dung
General Director



26 August 2014

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

1. CORPORATE INFORMATION

Phu Nhuan Jewelry Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0300521758 issued by the Department of Planning and Investment of Ho Chi Minh City on 2 January 2004, as amended.

The Company was listed on the Ho Chi Minh City Stock Exchange ("HOSE") from 23 March 2009 pursuant to the Decision No. 129/DKNY issued by the General Director of HOSE on 26 December 2008.

The current principal activities of the Company are to trade gold, silver, jewelry and gemstones, and to import and export jewelry in gold, silver and gemstones.

The Company's head office is located at 170E Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. In addition, the Company also has one hundred and fifty three (153) retail shops located in various provinces in Vietnam.

The number of the Company's employees as at 30 June 2014 was 2,494 (31 December 2013: 2,653).

Corporate structure

The Company's corporate structure includes three subsidiaries, as follows:

Saigon Fuel Joint Stock Company ("SFC") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0300631013 issued by the Department of Planning and Investment of Ho Chi Minh City on 20 June 2000. SFC's registered head office is located at 146E Nguyen Dinh Chinh Street, Ward 8, Phu Nhuan District, Ho Chi Minh City, Vietnam. SFC's principal activities are to trade gasoline, diesel oil, and others and to lease premises.

CAO Fashion Company Limited ("CFC"), a one-member limited liability company, was established under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0309279212 issued by the Department of Planning and Investment of Ho Chi Minh City on 14 August 2009. CFC's registered head office is located at 170E Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. CFC's principal activities are to produce and trade fashion products, silver and gold jewelry, and art and craft products, and to import and export art and craft products.

PNJ Laboratory Company Limited ("PLC"), a one-member limited liability company, was established under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0310521330 issued by the Department of Planning and Investment of Ho Chi Minh City on 16 December 2010. PLC's registered head office is located at 205 Phan Dang Luu Street, Phu Nhuan District, Ho Chi Minh City, Vietnam. PLC's principal activities are to provide jewelry inspection and consultancy services.

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

2. BASIS OF PREPARATION

2.1 Accounting standards and system

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

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

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

2.2 Applied accounting documentation system

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

2.3 Fiscal year

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

2.4 Accounting currency

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

2.5 Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the six month period ended 30 June 2014.

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks, gold, and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 *Receivables*

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

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

3.3 *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:

Merchandises, consumables, and raw materials - cost of purchase on a weighted average basis.

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

Provision for obsolete inventories

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Fixed assets

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

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

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

Land use rights

Land use right is recorded as an intangible fixed asset on the interim consolidated balance sheet when the Group obtained the land use right certificates. The costs of land use right comprise all directly attributable costs of bringing the land lot to the condition available for intended use.

3.5 Depreciation and amortization

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

Buildings and structures	3 - 25 years
Machinery and equipment	3 - 15 years
Motor vehicles	4 - 10 years
Office equipment	3 - 8 years
Computer software	3 years

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

3.6 Investment properties

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

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

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

Land use rights	10 years
Buildings	10 years

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Investment properties* (continued)

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

3.7 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the period in which they are incurred.

3.8 *Prepaid expenses*

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

The following types of expenses are recorded as long-term prepaid expense and are amortised to the interim consolidated income statement.

- ▶ Prepaid rental includes land and shop rental prepaid for many years under operating lease contracts and are amortized over the lease term;
- ▶ Tools and consumables with large value issued in use and can be used for more than one year; and
- ▶ Others are amortized to the interim consolidated income statement over 2 to 3 years.

3.9 *Business combinations and goodwill*

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

After initial recognition, goodwill is measured at cost less accumulated amortisation. Amortisation of goodwill is calculated on a straight-line basis over 10 years during which the source embodying economic benefits are covered by the Group.

3.10 *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 is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment and is amortized over a 10-year period. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Investments in associates (continued)

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

3.11 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 the Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009 and the Circular No. 89/2013/TT-BTC issued by the Ministry of Finance on 28 June 2013. Increases and decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

3.12 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.

3.13 Foreign currency transactions

The Group follows the guidance under Vietnamese Accounting Standard No. 10 - Effects of Changes in Foreign Exchange Rates and the Circular No. 179/2012/TT-BTC providing guidance on recognition, measurement, treatment for foreign exchange differences issued by the Ministry of Finance on 24 October 2012 in relation to foreign currency transactions as applied consistently in prior periods.

Transactions in currencies other than the Group's reporting currency of VND are recorded at the exchange rates ruling at the date of the transaction. At the end of the year, monetary assets and liabilities denominated in foreign currencies are translated at buying exchange rate announced by the commercial bank where the Group maintains bank accounts ruling at the balance sheet date. All realised and unrealised foreign exchange differences are taken to the interim consolidated income statement.

3.14 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.

3.15 Appropriation of net profits

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

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

▶ Financial reserve fund

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

▶ Investment and development fund

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

▶ Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits and is recognised as a liability.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Company (after adjusting for interest on the preference shares) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (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.

3.17 *Revenue recognition*

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

Sale of goods

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

Rendering of services

Revenue is recognised when the service has been rendered.

Interest

Revenue is recognised as the interest accrues unless collectability is in doubt.

Dividends

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

3.18 *Taxation*

Current income tax

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

Current income tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the 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 offset current income tax assets against current income tax liabilities and when the Company intends to settle its current income tax assets and liabilities on a net basis.

Deferred income tax

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

Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Taxation* (continued)

Deferred income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred income tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

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 income tax assets to be recovered.

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current income tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

3.19 *Financial instruments*

Financial instruments – initial recognition and presentation

Financial assets

Financial assets within the scope of the Circular No. 210/2009/TT-BTC, providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the interim consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The 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 Group's financial assets include cash, cash equivalents, short-term deposits, trade and other receivables.

Financial liabilities

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Financial instruments

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

Financial instruments – subsequent re-measurement

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

Offsetting of financial instruments

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

3.20 Segment information

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

4. CASH AND CASH EQUIVALENTS

	VND	
	30 June 2014	31 December 2013
Cash on hand	34,553,300,227	33,096,471,915
Cash at banks	27,826,754,698	18,313,361,447
Cash in transit	350,459,082	2,505,358,889
Cash equivalents	409,781,379,592	453,906,552,933
TOTAL	472,511,893,599	507,821,745,184

5. CURRENT ACCOUNTS RECEIVABLE

	VND	
	30 June 2014	31 December 2013
Trade receivables	51,658,048,102	52,341,746,512
<i>In which:</i>		
<i>Due from third parties</i>	51,658,048,102	52,341,746,512
Advances to suppliers	10,852,648,663	8,912,739,502
<i>In which:</i>		
<i>Due from third parties</i>	10,852,648,663	8,912,739,502
Other receivables	22,837,857,963	23,485,827,790
<i>In which:</i>		
<i>Due from third parties</i>	22,837,857,963	23,485,827,790
Provision for doubtful debts	(8,746,829,159)	(8,719,473,559)
NET	76,601,725,569	76,020,840,245

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

5. CURRENT ACCOUNTS RECEIVABLE (continued)

Details of movements of provision for doubtful debts

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
At beginning of period	8,719,473,559	7,752,218,659
Add: Provision created during the period	27,355,600	-
At end of period	<u>8,746,829,159</u>	<u>7,752,218,659</u>

6. INVENTORIES

	VND	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Merchandise goods	1,198,809,089,805	974,547,900,904
Finished goods	29,128,655,791	34,000,318,883
Tools and supplies	18,893,893,350	15,249,323,609
Goods in transit	15,288,459,775	4,383,788,692
Raw materials	13,202,072,850	35,727,945,679
Work in process	12,638,701,540	23,435,085,328
TOTAL	<u>1,287,960,873,111</u>	<u>1,087,344,363,095</u>

Inventories of VND 399,982,000,000 were pledged as collateral for short-term loans obtained from commercial banks (Note 14).

7. OTHER CURRENT ASSETS

	VND	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Short-term rental deposits	12,377,914,486	11,685,238,240
Advances to employees	1,371,019,920	948,490,580
TOTAL	<u>13,748,934,406</u>	<u>12,633,728,820</u>

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

8. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
					VND
Cost:					
As at 31 December 2013	147,284,311,942	111,093,495,287	13,374,704,748	18,503,462,515	290,255,974,492
Additions	7,215,385,084	9,225,687,233	1,681,472,727	755,982,390	18,878,527,434
Disposal	(3,152,637,349)	(3,431,316,720)	(4,289,227,021)	(308,326,073)	(11,181,507,163)
As at 30 June 2014	151,347,059,677	116,887,865,800	10,766,950,454	18,951,118,832	297,952,994,763
<i>In which:</i>					
Fully depreciated	101,262,000	40,096,488,007	3,037,674,490	2,364,791,157	45,600,215,654
Accumulated depreciation:					
As at 31 December 2013	(23,962,054,915)	(70,618,706,336)	(10,043,223,644)	(11,098,268,814)	(115,722,253,709)
Depreciation for the period	(3,593,920,475)	(5,552,123,388)	(384,835,587)	(1,653,574,893)	(11,184,454,343)
Disposal	3,388,582,450	3,286,243,873	4,289,227,021	301,209,255	11,265,262,599
As at 30 June 2014	(24,167,392,940)	(72,884,585,851)	(6,138,832,210)	(12,450,634,452)	(115,641,445,453)
Net carrying amount:					
As at 31 December 2013	123,322,257,027	40,474,788,951	3,331,481,104	7,405,193,701	174,533,720,783
As at 30 June 2014	127,179,666,737	44,003,279,949	4,628,118,244	6,500,484,380	182,311,549,310

Buildings and machineries with the carrying amount of VND 15,234,478,078 were pledged to obtain loans from commercial banks (Note 18).

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

9. INTANGIBLE FIXED ASSETS

	VND		
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
As at 31 December 2013	291,340,705,353	1,112,471,613	292,453,176,966
Other decrease	<u>(321,642,000)</u>	<u>-</u>	<u>(321,642,000)</u>
As at 30 June 2014	<u>291,019,063,353</u>	<u>1,112,471,613</u>	<u>292,131,534,966</u>
Accumulated amortization:			
As at 31 December 2013	(1,029,617,114)	(767,749,389)	(1,797,366,503)
Amortization for the period	<u>(83,570,810)</u>	<u>(103,416,666)</u>	<u>(186,987,476)</u>
As at 30 June 2014	<u>(1,113,187,924)</u>	<u>(871,166,055)</u>	<u>(1,984,353,979)</u>
Net carrying amount:			
As at 31 December 2013	<u>290,311,088,239</u>	<u>344,722,224</u>	<u>290,655,810,463</u>
As at 30 June 2014	<u>289,905,875,429</u>	<u>241,305,558</u>	<u>290,147,180,987</u>

Land use rights with the carrying amount of VND 69,152,139,738 were pledged to obtain loans from commercial banks (Note 18).

10. INVESTMENT PROPERTIES

	VND		
	<i>Land use right</i>	<i>Building</i>	<i>Total</i>
Cost:			
As at 31 December 2013	77,157,702,364	316,237,500	77,473,939,864
Addition	<u>-</u>	<u>87,299,835</u>	<u>87,299,835</u>
As at 30 June 2014	<u>77,157,702,364</u>	<u>403,537,335</u>	<u>77,561,239,699</u>
Accumulated amortization:			
As at 31 December 2013	(1,499,089,869)	(271,300,638)	(1,770,390,507)
Depreciation for the period	<u>(563,907,564)</u>	<u>(5,284,253)</u>	<u>(569,191,817)</u>
As at 30 June 2014	<u>(2,062,997,433)</u>	<u>(276,584,891)</u>	<u>(2,339,582,324)</u>
Net carrying amount:			
As at 31 December 2013	<u>75,658,612,495</u>	<u>44,936,862</u>	<u>75,703,549,357</u>
As at 30 June 2014	<u>75,094,704,931</u>	<u>126,952,444</u>	<u>75,221,657,375</u>

The fair values of the investment properties was not formally assessed and determined as at 30 June 2014. However, management assessed that these properties' market values were higher than their carrying value as at the balance sheet date.

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

11. LONG-TERM INVESTMENTS

11.1 Investments in associates

Name	30 June 2014		31 December 2013	
	Cost of investment VND	% of interest	Cost of investment VND	% of interest
Dong A Land Joint Stock Company	<u>79,887,705,536</u>	30.62	<u>80,652,729,586</u>	30.62
				VND
		For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013	
Cost of investment in associates		80,652,729,586	230,474,829,680	
Accumulated share in post-acquisition loss of the associate		(765,024,050)	41,064,729,302	
Dividends received		-	(10,269,416,000)	
TOTAL	<u>79,887,705,536</u>		<u>261,270,142,982</u>	

Dong A Land Joint Stock Company ("DAL") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103001739 issued by the Department of Planning and Investment of Ho Chi Minh City on 24 July 2003. DAL's registered head office is located at 43R/12, Ho Van Hue Street, Ward 9, Phu Nhuan District, Ho Chi Minh City, Vietnam. DAL's principal activities are to provide design services, project management, construction services, to provide real estate consulting services and real estate agency, and to trade houses and interior products.

11.2 Other long-term investments

Name	30 June 2014		31 December 2013	
	Number of shares	Cost of investment VND	Number of shares	Cost of investment VND
Dong A Joint Stock Commercial Bank (DAB) (i)	38,496,250	395,271,613,400	38,496,250	395,271,613,400
Saigon M&C Real Estate Joint Stock Company	2,615,215	65,380,375,000	2,615,215	65,380,375,000
Que huong Liberty Joint Stock Company	1,008,328	42,499,920,000	916,662	42,499,920,000
Gia Dinh Development Investment Corporation	625,000	10,000,000,000	625,000	10,000,000,000
Petec Coffee Joint stock Company	29,200	296,000,000	29,200	296,000,000
Hoang Minh Giam project		-		10,089,500,000
Others		65,000,000		65,000,000
TOTAL		<u>513,512,908,400</u>		<u>523,602,408,400</u>
Provision for long-term investments		<u>(14,550,000,000)</u>		<u>(14,550,000,000)</u>
NET		<u>498,962,908,400</u>		<u>509,052,408,400</u>

(i) DAB's shares were pledged to obtain loans from commercial banks (Note 14).

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

11. LONG-TERM INVESTMENTS (continued)

11.3 Provision for long-term investments

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
At beginning of period	14,550,000,000	10,800,000,000
Add: Provision created during the period	-	3,750,000,000
At end of period	<u>14,550,000,000</u>	<u>14,550,000,000</u>

12. LONG-TERM PREPAID EXPENSES

	VND	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Office and retail shop renovation costs	6,115,599,133	6,831,856,742
Retail shop rental	3,890,681,664	3,670,835,189
Tools and supplies	2,997,025,139	2,998,868,972
Others	624,650,466	200,000,025
TOTAL	<u>13,627,956,402</u>	<u>13,701,560,928</u>

13. GOODWILL

Movements in goodwill during the period are as follows:

	VND
Cost:	
As at 31 December 2013 and 30 June 2014	89,462,385,361
Accumulated amortisation:	
As at 31 December 2013	(4,473,119,268)
Amortisation for the year	<u>(4,473,119,268)</u>
As at 30 June 2014	<u>(8,946,238,536)</u>
Net carrying amount:	
As at 31 December 2013	<u>84,989,266,093</u>
As at 30 June 2014	<u>80,516,146,825</u>

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

14. SHORT-TERM LOANS

	VND	
	30 June 2014	31 December 2013
Short-term loans from banks	1,113,426,037,056	921,080,789,816
Short-term loans from individuals	239,155,021,460	234,315,577,160
Current portion of long-term loans (Note 18)	4,288,000,000	8,576,000,000
TOTAL	<u>1,356,869,058,516</u>	<u>1,163,972,366,976</u>

Details of short-term loans bearing the floating rate from banks to finance its working capital requirements are as follows:

Banks	As at 30 June 2014 VND	Maturity date	Interest % p.a.	Collateral
Joint Stock Company Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch	253,590,646,221	From 3 July 2014 to 30 September 2014	From 3 to 6.6	Unsecured
Asia Commercial Joint Stock Bank - Main Transaction office	226,790,000,000	From 3 July 2014 to 11 September 2014	From 7 to 8	DAB shares
Orient Commercial Joint Stock Bank – Ho Chi Minh Branch	137,714,505,795	From 3 July 2014 to 16 July 2014	From 5.2 to 7.75	Unsecured
Shinhan Bank Vietnam Limited – Ho Chi Minh Branch	95,814,000,000	From 4 July 2014 to 13 August 2014	From 3.7 to 6	Unsecured
Petrolimex Group Commercial Joint Stock Bank - Ho Chi Minh Branch	90,000,000,000	From 2 July 2014 to 9 September 2014	From 7 to 7.5	Unsecured
Vietnam Prosperity Joint Stock Commercial Bank – Ho Chi Minh Branch	83,504,445,040	From 22 July 2014 to 12 September 2014	4.5	Inventories
CTBC Bank Company Limtied – Ho Chi Minh Branch	77,326,600,000	From 15 September 2014 to 26 February 2014	From 4.2 to 5.6	Unsecured
Ho Chi Minh City Housing Development Commercial Joint Stock Bank – Ho Chi Minh branch	44,000,000,000	24 July 2014	7	Inventories
ANZ Bank (Vietnam) Limited - Ho Chi Minh Branch	43,372,000,000	From 7 July 2014 to 27 August 2014	5.75	Inventories

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

14. SHORT-TERM LOANS (continued)

<i>Banks</i>	<i>As at 30 June 2014 VND</i>	<i>Maturity date</i>	<i>Interest % p.a.</i>	<i>Collateral</i>
Military Commercial Joint Stock Bank - North Ho Chi Minh Branch	31,897,040,000	30 September 2014	From 4.4 to 5.8	Unsecured
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch	29,416,800,000	From 1 July 2014 to 30 August 2014	From 4.4 to 6.5	Inventories
TOTAL	<u>1,113,426,037,056</u>			

Details of individual loans bearing floating rate to finance its working capital requirements are as follows:

	<i>As at 30 June 2014 VND</i>	<i>Maturity date</i>	<i>Interest % p.a.</i>	<i>Collateral</i>
Individuals	<u>239,155,021,460</u>	From 2 July 2014 to 28 June 2015	From 1 to 6	Unsecured

15. TRADE PAYABLES

	<i>VND</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Due to third parties	57,006,040,690	109,627,278,389
Due to related parties (Note 25)	204,864,518	1,504,954,000
TOTAL	<u>57,210,905,208</u>	<u>111,132,232,389</u>

16. STATUTORY OBLIGATIONS

	<i>VND</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Corporate income tax (Note 24.1)	21,742,007,880	34,652,596,198
Value-added tax	7,286,428,918	7,371,279,970
Others	6,630,268,462	6,259,805,521
TOTAL	<u>35,658,705,260</u>	<u>48,283,681,689</u>

17. OTHER PAYABLES

	<i>VND</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Processing service	10,901,900,135	1,566,660,234
Social and health insurance	6,524,289,937	5,824,124,515
Others	37,066,673,846	24,575,276,046
TOTAL	<u>54,492,863,918</u>	<u>31,966,060,795</u>

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

18. LONG-TERM LOANS

	VND	
	30 June 2014	31 December 2013
Loans from banks	<u>145,681,129,719</u>	<u>138,159,036,649</u>
<i>In which</i>		
<i>Current portion of long-term loans (Note 14)</i>	4,288,000,000	8,576,000,000
<i>Non-current portion</i>	141,393,129,719	129,583,036,649

Details of the long-term loans bearing the fixed rate from the banks to finance its working capital requirements are as follows:

Banks	30 June 2014	Maturity date	Interest	Collateral
	VND		% p.a.	
Dong A Commercial Joint Stock Bank - Head office	78,128,000,000	29 April 2016	6	Land use right of land lot located at 577 Nguyen Kiem, Ward 9, Phu Nhuan District, Ho Chi Minh City; a house located at 52A- 52B Nguyen Van Troi, Ward 15, Phu Nhuan District, Ho Chi Minh City, and building and structures located at Le Thanh Ton Street, Ben Thanh Ward, District 1, Ho Chi Minh City
Asia Commercial Joint Stock Bank - Main Transaction Office	63,265,129,719	30 December 2020	6.5	Land use right of land lot located at 2, Duong Quang Ham street, Binh Thanh District, Ho Chi Minh City
TOTAL	<u>141,393,129,719</u>			

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

19. OWNERS' EQUITY

19.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings	Total	VND
For the six-month period ended 30 June 2013:								
As at 31 December 2012	719,978,350,000	105,021,650,000	(7,090,000)	96,070,897,000	46,376,732,783	274,298,476,490	1,241,739,016,273	
Net profit for the period	-	-	-	-	-	89,556,467,805	89,556,467,805	
Dividend declared	-	-	-	-	-	(93,597,185,500)	(93,597,185,500)	
Profit appropriation	-	-	-	30,000,000,000	11,257,421,000	(41,257,421,000)	-	
Transfer to bonus and welfare fund	-	-	-	-	-	(29,095,268,828)	(29,095,268,828)	
As at 30 June 2013	719,978,350,000	105,021,650,000	(7,090,000)	126,070,897,000	57,634,153,783	199,905,068,967	1,208,603,029,750	

For the six-month period ended 30 June 2014:

As at 31 December 2013	755,970,350,000	105,021,650,000	(7,090,000)	126,070,897,000	57,634,153,783	273,530,620,443	1,318,220,581,226	
Net profit for the period	-	-	-	-	-	137,767,343,529	137,767,343,529	
Dividend declared	-	-	-	-	-	(151,192,652,000)	(151,192,652,000)	
Profit appropriation	-	-	-	40,000,000,000	9,590,806,480	(49,590,806,480)	-	
Transfer to bonus and welfare fund	-	-	-	-	-	(24,881,605,600)	(24,881,605,600)	
As at 30 June 2014	755,970,350,000	105,021,650,000	(7,090,000)	166,070,897,000	67,224,960,263	185,632,899,892	1,279,913,667,155	

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

19. OWNERS' EQUITY (continued)

19.2 Capital transactions with owners and distribution of dividends

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Contributed share capital		
As at 31 December 2013 and 30 June 2014	<u>755,970,350,000</u>	<u>719,978,350,000</u>
<i>Dividends paid</i>	<i>151,192,652,000</i>	<i>93,597,185,500</i>
<i>Dividends declared</i>	<i>151,192,652,000</i>	<i>93,597,185,500</i>

19.3 Shares – ordinary shares

	<i>30 June 2014</i>	<i>31 December 2013</i>
	<i>Number of shares</i>	<i>Number of shares</i>
Shares authorised to be issued	75,597,035	75,597,035
Shares issued and fully paid		
<i>Ordinary shares</i>	<i>75,597,035</i>	<i>75,597,035</i>
Treasury shares		
<i>Ordinary shares</i>	<i>(709)</i>	<i>(709)</i>
Shares in circulation		
<i>Ordinary shares</i>	<i>75,596,326</i>	<i>75,596,326</i>

19.4 Earnings per share

The following table shows the income and share data used in the basic and diluted earnings per share calculations:

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Net profit attributable to ordinary equity holders of the Company	137,767,343,529	89,556,467,805
Weighted average number of ordinary shares during the period for basic earnings per share	75,597,035	71,997,835
Basic and diluted earnings per share	1,822	1,244

There have been no dilutive potential ordinary shares as at balance sheet date.

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

20. REVENUE**20.1 Revenue from sale of goods and rendering of services**

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Gross revenue	4,968,075,298,030	3,844,087,040,369
<i>Of which:</i>		
<i>Sales of gold, silver and jewelry</i>	3,653,883,232,437	3,828,239,419,797
<i>Sales of gasoline</i>	1,288,110,065,563	-
<i>Rendering of services</i>	19,278,250,698	10,640,474,985
<i>Sale of accessories</i>	6,803,749,332	5,207,145,587
Less:	(43,476,519,121)	(25,453,724,342)
<i>Sale returns</i>	(5,106,579,455)	(5,064,610,426)
<i>Value added tax applying direct method</i>	(38,369,939,666)	(20,389,113,916)
Net revenue	<u>4,924,598,778,909</u>	<u>3,818,633,316,027</u>
<i>Of which:</i>		
<i>Sale of gold, silver and jewelry</i>	3,610,719,486,043	3,802,785,695,455
<i>Sales of gasoline</i>	1,287,797,292,836	-
<i>Rendering of services</i>	19,278,250,698	10,640,474,985
<i>Sale of accessories</i>	6,803,749,332	5,207,145,587

20.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Dividends earned	8,422,164,000	458,331,000
Interest income	6,423,035,626	224,181,427
Foreign exchange gains	243,504,857	8,965,670,687
Others	768,978	135,605,751
TOTAL	<u>15,089,473,461</u>	<u>9,783,788,865</u>

21. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Cost of gold, silver and jewelry and services rendered	3,228,020,785,001	3,499,626,089,162
Cost of gasoline	1,246,860,470,364	-
Cost of accessories	4,854,888,034	4,441,727,548
Cost of service rendered	1,890,953,124	1,550,600,805
TOTAL	<u>4,481,627,096,523</u>	<u>3,505,618,417,515</u>

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

22. FINANCE EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Interest expense	40,758,353,654	41,481,194,564
Loss on disposal of investment	2,589,500,000	-
Realised foreign exchange losses	1,640,043,907	218,163,267
Unrealised foreign exchange losses	-	256,682,751
TOTAL	<u>44,987,897,561</u>	<u>41,956,040,582</u>

23. PRODUCTION AND OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Raw materials	4,480,009,776,800	2,494,621,099,131
Labour costs	111,307,244,873	102,848,867,426
Tools and supplies	15,970,169,540	13,725,295,308
Depreciation and amortization (Notes 8, 9, 10 and 13)	16,413,752,904	8,804,074,508
Expenses for external services	86,148,167,973	76,411,583,849
TOTAL	<u>4,709,849,112,090</u>	<u>2,696,410,920,222</u>

24. CORPORATE INCOME TAX

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

The tax returns filed by Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

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

24. CORPORATE INCOME TAX (continued)

24.1 Current CIT

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

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

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Profit before tax	184,481,381,740	118,936,812,954
<i>Adjustments:</i>		
Amortisation of goodwill	4,473,119,268	-
Change in accrued expenses	1,590,044,501	2,424,161,290
Non-deductible expenses	1,503,576,593	664,152,424
Share of profits of associate	765,024,050	(2,930,326,289)
Unrealised foreign exchange difference	-	193,467,427
Dividends earned	(8,422,164,000)	(458,331,000)
Reversal provision from associate	(9,823,048,310)	-
Estimated current taxable profit	174,567,933,842	118,829,936,806
Estimated current CIT	38,339,935,344	29,598,394,828
CIT payable at beginning of period	34,638,232,422	12,203,462,214
CIT paid during the period	(51,236,159,886)	(23,393,290,698)
CIT payable at end of period	21,742,007,880	18,408,566,344

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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24. CORPORATE INCOME TAX (continued)

24.2 *Deferred CIT*

The following are the deferred tax assets recognized by the Group, and the movements thereon, during the current and prior reporting period.

	<i>Interim consolidated balance sheet</i>		<i>Interim consolidated income statement</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Deferred tax asset				
Accrued expenses	1,051,660,114	701,850,324	302,725,206	606,040,322
Unrealised foreign exchange gains	-	-	-	48,366,857
TOTAL	1,051,660,114	701,850,324		
Net deferred income tax benefit			302,725,206	654,407,179

25. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>VND</i>	
			<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
			<i>Amount</i>	<i>Amount</i>
Dong A Joint Stock Commercial Bank	Related party	Dividends received	7,699,250,000	
Dong A Land Joint Stock Company	Associate	Services rendered	5,313,662,665	
Remuneration to members of the Board of Directors, Board of Supervision and Management:				
			4,222,800,000	3,613,333,140

The outstanding balances due to a related party as at 30 June 2014 as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>VND</i>
			<i>Payable</i>
Trade payable			
Dong A Land Joint Stock Company	Associate	Services rendered	204,864,518

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

26. OPERATING LEASE COMMITMENTS

The Group leases outlets under operating lease arrangements. Future rental amounts due under such operating leases after 30 June 2014 were as follows:

	<i>VND</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Within 1 year	16,579,479,140	17,480,110,344
From 1 to 5 years	39,712,399,280	32,573,796,164
Over 5 years	6,249,452,117	6,356,902,800
TOTAL	<u>62,541,330,537</u>	<u>56,410,809,308</u>

27. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is principally engaged in trading gold, silver, jewelry, accessories and gemstone; provision of jewelry inspection service and trade gasoline, diesel oil, and others and to lease premises.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between business segments. Those transfers are eliminated in preparation of interim consolidated financial statements.

The Group operates in one geographical segment which is Vietnam.

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

27. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liabilities information regarding the Group's business segment.

	Gold, silver and gemstone	Accessories	Gasoline	Jewellery inspection services	Others services	Elimination	Total
For the six-month period ended 30 June 2014:							
Revenue							VND
Sale to external customers	3,653,883,232,437	6,803,749,332	1,288,110,065,563	5,596,635,352	13,681,615,346	-	4,968,075,298,030
Sale deduction	(43,476,519,121)	-	-	-	-	-	(43,476,519,121)
Total revenue	3,610,719,486,043	6,803,749,332	1,287,824,979,356	5,596,635,352	13,681,615,346	-	4,924,598,778,909
Results							
Segment gross profit	382,698,701,042	1,948,861,298	40,936,822,472	4,274,874,045	13,112,423,529	-	442,971,682,386
Unallocated expenses							(228,222,015,567)
Finance income							15,089,473,461
Finance expenses							(44,987,897,561)
Other loss							(369,860,979)
Net profit before CIT							184,481,381,740
CIT expense							(38,037,210,138)
Net profit for the period							146,444,171,602
Assets and liabilities							
Segment assets	2,736,114,412,644	-	351,050,125,273	19,221,186,437	75,221,657,375	(83,355,677,260)	3,098,251,704,469
Unallocated assets							10,499,462,038
Total assets							3,108,751,166,507
Segment liabilities	1,413,155,164,130	-	242,593,180,521	4,633,716,331	-	(20,258,364,404)	1,640,123,696,578
Unallocated liabilities							95,591,421,095
Total liabilities							1,735,715,117,673

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

27. SEGMENT INFORMATION (continued)

The following tables present revenue and profit and certain assets and liabilities information regarding the Group's business segment.

	Gold, silver and gemstone	Accessories	Jewellery inspection services	Elimination	VND
For the six-month period ended 30 June 2013:					
Revenue					
Sale to external customers	3,828,239,419,797	5,207,145,587	10,640,474,985	-	3,844,087,040,369
Sale deduction	(25,453,724,342)	-	-	-	(25,453,724,342)
Total revenue	3,802,785,695,455	5,207,145,587	10,640,474,985	-	3,818,633,316,027
Results					
Segment gross profit	303,224,963,878	700,060,454	9,089,874,180	-	313,014,898,512
Unallocated expenses					(165,516,313,121)
Finance income					9,783,788,865
Finance expenses					(41,956,040,582)
Other profit					3,174,121,780
Net profit before CIT					118,500,455,454
CIT expense					(28,943,987,649)
Net profit for the period					89,556,467,805
Assets and liabilities					
Segment assets	2,326,728,160,614	15,301,081,640	14,579,605,487	26,682,701,966	2,383,291,549,707
Unallocated assets					10,553,309,511
Total assets					2,393,844,859,218
Segment liabilities	1,127,294,787,208	-	1,271,978,737	(16,653,311,169)	1,111,913,454,776
Unallocated liabilities					73,328,374,692
Total liabilities					1,185,241,829,468

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Market risk

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

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

Interest rate risk

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

The Group manages its interest rate risk by keeping close watch on relevant market situation, in order to contemplate and adapt its leverage level as well as financing strategies to the prevailing situation.

Interest rate sensitivity

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

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

	<i>Increase/decrease in basis points</i>	<i>VND Effect on profit before tax</i>
For the six-month period ended 30 June 2014		
VND	+200	(2,827,862,594)
Gold	+200	3,931,627,592
VND	-200	2,827,862,594
Gold	-200	(3,931,627,592)
For the six-month period ended 30 June 2013		
VND	+200	(17,907,972,882)
Gold	+200	1,813,268,786
VND	-200	17,907,972,882
Gold	-200	(1,813,268,786)

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

The Group does not employ any derivative financial instruments to hedge its foreign currency exposure.

Foreign currency sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's accounting currency).

No analysis on foreign currency sensitivity was performed for the six month period ended 30 June 2014 since the Group's exposure to foreign currency changes for all other currencies is not material.

Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Group manages equity price risk by placing a limit on equity investments. The Group's Board of Directors reviews and approves all equity investment decisions.

As at 30 June 2014, the exposure to listed and unlisted equity securities at fair value was VND 509,052,408,400 (31 December 2013: VND 498,962,908,400). A decrease of 10% in the value of the listed and unlisted securities could have an impact of approximately VND 50,905,240,840 (31 December 2013: VND 49,896,290,840) on the Group's profit before tax.

Commodity price risk

The Group is exposed to commodity price risk in relation to purchase of certain commodities. The Group manages its commodity prices risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, production plans and inventories level. The Group does not employ any derivative financial instruments to hedge its commodity price risk.

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, including deposits with banks.

Trade receivables

Customer credit risk is managed by the Group based on its established policy, procedures and control. The Group's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customer. The Group mostly has cash sale which are not exposed to the credit risk.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

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 interim consolidated balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Group evaluates the concentration of credit risk in respect to bank deposit as low.

Liquidity risk

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

The Group monitors its liquidity risk by maintaining a level of cash, 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 2 to 5 years</i>	<i>VND</i> <i>Total</i>
30 June 2014			
Loans	1,356,869,058,516	141,393,129,719	1,498,262,188,235
Trade payables	57,210,905,208	-	57,210,905,208
Other payables and accrued expenses	59,550,665,823	-	59,550,665,823
TOTAL	<u>1,473,630,629,547</u>	<u>141,393,129,719</u>	<u>1,615,023,759,266</u>
31 December 2013			
Loans	1,163,972,366,976	129,583,036,649	1,293,555,403,625
Trade payables	111,132,232,389	-	111,132,232,389
Other payables and accrued expenses	35,490,736,885	-	35,490,736,885
TOTAL	<u>1,310,595,336,250</u>	<u>129,583,036,649</u>	<u>1,440,178,372,899</u>

Collateral

The Group has pledged its fixed assets, inventories and DAB shares in order to fulfil the collateral requirements for loans obtained from commercial banks (*Notes 14 and 18*).

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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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 interim consolidated financial statements.

	Carrying amount				Fair value	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	Cost	Provision	Cost	Provision		VND
Financial assets						
Other long-term investments	513,512,908,400	(14,550,000,000)	523,602,408,400	(14,550,000,000)	498,962,908,400	509,052,408,400
Trade receivables	51,658,048,103	-	52,341,746,512	-	51,658,048,103	52,341,746,512
Other receivables	22,809,137,264	(8,746,829,159)	23,485,827,790	(8,719,473,559)	14,062,308,105	14,766,354,231
Cash and cash equivalents	472,511,893,599	-	507,821,745,184	-	472,511,893,599	507,821,745,184
TOTAL	1,060,491,987,366	(23,296,829,159)	1,107,251,727,886	(23,269,473,559)	1,037,195,158,207	1,083,982,254,327
	Carrying amount				Fair value	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Financial liabilities						
Loans	1,498,262,188,235	1,293,555,403,625	1,498,262,188,235	1,293,555,403,625	1,498,262,188,235	1,293,555,403,625
Trade payables	57,006,040,690	106,649,186,389	57,006,040,690	106,649,186,389	57,006,040,690	106,649,186,389
Payables to related parties	204,864,518	4,483,046,000	204,864,518	4,483,046,000	204,864,518	4,483,046,000
Other payables and accrued expense	59,550,665,823	35,490,736,885	59,550,665,823	35,490,736,885	59,550,665,823	35,490,736,885
TOTAL	1,615,023,759,266	1,440,178,372,899	1,615,023,759,266	1,440,178,372,899	1,615,023,759,266	1,440,178,372,899

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

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 30 June 2014 and 31 December 2013. However, management assessed that the fair values of these financial assets and liabilities were not materially different from their carrying values as at balance sheet date.

30. RECLASSIFICATION OF CORRESPONDING

Certain corresponding figures on the consolidated balance sheet as at 31 December 2013 have been reclassified to reflect the presentation of the current period's interim consolidated financial statements.

31. EVENTS AFTER THE BALANCE SHEET DATE

There has been no other matter or circumstance occurring after the balance sheet date which would require adjustments or disclosures to be made in the interim consolidated financial statements.



Duong Quang Hai
Preparer



Dang Thi Lai
Chief Accountant



Cao Thi Ngoc Dung
General Director

26 August 2014