

Phu Nhuan Jewelry Joint Stock Company

Consolidated financial statements

31 December 2014

Phu Nhuan Jewelry Joint Stock Company

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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 seventy four (174) retail shops located at various provinces in Vietnam.

BOARD OF DIRECTORS

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

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

BOARD OF SUPERVISION

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

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

MANAGEMENT

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

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

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Ms 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 consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2014.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2014 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of management:



Cao Thị Ngọc Dung
General Director

30 March 2015



Ernst & Young Vietnam Limited
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INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Phu Nhuan Jewelry Joint Stock Company

We have audited the accompanying consolidated financial statements of Phu Nhuan Jewelry Joint Stock Company and its subsidiaries ("the Group") as prepared on 30 March 2015 and set out on pages 5 to 39 which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated income statement and consolidated cash flow statement for the year then ended, and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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



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Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2014, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited





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

30 March 2015

CONSOLIDATED BALANCE SHEET
as at 31 December 2014

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,830,870,956,574	1,717,592,172,977
110	I. Cash and cash equivalents	5	272,305,336,075	507,821,745,184
111	1. Cash		37,706,071,196	53,915,192,251
112	2. Cash equivalents		234,599,264,879	453,906,552,933
130	II. Current accounts receivable	6	71,324,851,689	76,020,840,245
131	1. Trade receivables		43,282,823,370	52,341,746,512
132	2. Advances to suppliers		16,213,997,161	8,912,739,502
135	3. Other receivables		19,615,577,417	23,485,827,790
139	4. Provision for doubtful debts		(7,787,546,259)	(8,719,473,559)
140	III. Inventories		1,437,415,596,122	1,087,344,363,095
141	1. Inventories	7	1,437,415,596,122	1,087,344,363,095
150	IV. Other current assets		49,825,172,688	46,405,224,453
151	1. Short-term prepaid expenses		27,279,143,455	19,924,285,797
152	2. Value-added tax deductible		3,659,558,376	12,001,552,590
154	3. Tax and other receivables from the State		4,653,263,806	1,845,657,246
158	4. Other current assets	8	14,233,207,051	12,633,728,820
200	B. NON-CURRENT ASSETS		997,801,184,775	1,239,106,817,480
220	I. Fixed assets		452,468,356,455	474,305,452,792
221	1. Tangible fixed assets	9	160,479,587,999	174,533,720,783
222	Cost		265,520,614,214	290,255,974,492
223	Accumulated depreciation		(105,041,026,215)	(115,722,253,709)
227	2. Intangible fixed assets	10	291,249,678,256	290,655,810,463
228	Cost		293,121,956,571	292,453,176,966
229	Accumulated amortization		(1,872,278,315)	(1,797,366,503)
230	3. Construction in progress		739,090,200	9,115,921,546
	II. Investment properties	11	-	75,703,549,357
241	1. Cost		-	77,473,939,864
242	2. Accumulated depreciation		-	(1,770,390,507)
250	III. Long-term investments	12	531,864,217,588	589,705,137,986
252	1. Investments in associates		81,456,342,588	80,652,729,586
258	2. Other long-term investments		460,716,988,400	523,602,408,400
259	3. Provision for long-term investments		(10,309,113,400)	(14,550,000,000)
260	IV. Other long-term assets		13,468,610,732	14,403,411,252
261	1. Long-term prepaid expenses	14	12,547,147,880	13,701,560,928
262	2. Deferred tax assets	25.3	921,462,852	701,850,324
269	V. Goodwill	13	-	84,989,266,093
270	TOTAL ASSETS		2,828,672,141,349	2,956,698,990,457

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2014

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		1,532,149,329,780	1,550,680,871,025
310	I. Current liabilities		1,394,564,947,680	1,415,480,783,876
311	1. Short-term loans	15	1,131,686,128,041	1,163,972,366,976
312	2. Trade payables	16	140,059,263,813	111,132,232,389
313	3. Advances from customers		10,577,252,253	8,483,360,904
314	4. Statutory obligations	17	45,893,557,644	48,283,681,689
315	5. Payables to employees		27,640,951,586	11,299,793,720
316	6. Accrued expenses		4,188,467,510	3,524,676,090
319	7. Other payables	18	27,252,893,412	31,966,060,795
323	8. Bonus and welfare fund		7,266,433,421	36,818,611,313
330	II. Non-current liabilities		137,584,382,100	135,200,087,149
333	1. Other long-term liability		455,382,100	5,617,050,500
334	2. Long-term loans	19	137,129,000,000	129,583,036,649
400	B. OWNERS' EQUITY		1,296,522,811,569	1,318,220,581,226
410	I. Capital	20	1,296,522,811,569	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		66,734,153,783	57,634,153,783
420	6. Undistributed earnings		202,732,850,786	273,530,620,443
439	C. MINORITY INTERESTS		-	87,797,538,206
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,828,672,141,349	2,956,698,990,457

OFF BALANCE SHEET ITEM

ITEM	Ending balance	Beginning balance
Foreign currencies:		
- United States dollar ("USD")	8,382	58,203
- Gold taels	6,409	6,770
- Australian Dollar ("AUD")	30,006	-



Duong Quang Hai
Preparer



Dang Thi Lai
Chief Accountant



Cao Thi Ngoc Dung
General Director

30 March 2015

CONSOLIDATED 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	21.1	9,297,810,872,565	8,973,965,897,995
02	2. Deduction	21.1	(98,592,775,013)	(59,783,311,660)
10	3. Net revenue from sale of goods and rendering of services	21.1	9,199,218,097,552	8,914,182,586,335
11	4. Costs of goods sold and services rendered	22	(8,309,982,541,638)	(8,244,494,727,893)
20	5. Gross profit from sale of goods and rendering of services		889,235,555,914	669,687,858,442
21	6. Finance income	21.2	18,739,496,430	23,797,867,875
22	7. Finance expenses	23	(90,254,654,225)	(84,970,680,816)
23	- In which: Interest expense		(79,682,197,799)	(83,525,727,307)
24	8. Selling expenses		(354,954,031,945)	(262,496,218,357)
25	9. General and administrative expenses		(129,618,733,552)	(113,373,916,451)
30	10. Operating profit		333,147,632,622	232,644,910,693
31	11. Other income		2,668,838,792	3,181,797,660
32	12. Other expenses		(1,586,537,533)	(2,239,943,652)
40	13. Other profit		1,082,301,259	941,854,008
45	14. Share of profit (loss) of associates		803,613,002	(579,477,436)
50	15. Profit before tax		335,033,546,883	233,007,287,265
51	16. Current corporate income tax expense	25.1	(79,455,050,132)	(64,190,342,200)
52	17. Deferred income tax benefit	25.3	293,307,944	220,310,692
60	18. Net profit after tax		255,871,804,695	169,037,255,757
61	Attributable to: Minority interests		13,376,498,721	5,866,063,304
62	Equity holders of the Company		242,495,305,974	163,171,192,453
70	19. Basic and diluted earnings per share (VND/share)	20.4	3,208	2,239



Duong Quang Hai
Preparer



Dang Thi Lai
Chief Accountant



Cao Thi Ngoc Dung
General Director

30 March 2015

CONSOLIDATED 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 before tax		335,033,546,883	233,007,287,265
	<i>Adjustments for:</i>			
02	Depreciation and amortization		31,011,683,393	23,809,470,760
03	Provisions		468,396,300	967,254,900
05	Profits from investing activities		(16,087,701,495)	(14,205,354,346)
06	Interest expense	23	79,682,197,799	83,525,727,307
08	Operating profit before changes in working capital		430,108,122,880	327,104,385,886
09	(Increase) decrease in receivables		(20,105,968,511)	1,257,008,085
10	Increase in inventories		(392,583,571,977)	(296,208,235,977)
11	Increase in payables		76,335,837,103	77,256,168,164
12	Increase in prepaid expenses		(6,200,444,610)	(13,198,313,124)
13	Interest paid		(79,682,197,799)	(83,525,727,307)
14	Corporate income tax paid	25.2	(79,187,348,685)	(43,806,298,357)
15	Other cash inflows from operating activities		-	30,001,580,000
16	Other cash outflows from operating activities		(47,174,283,526)	(24,326,682,734)
20	Net cash flows used in operating activities		(118,489,855,125)	(25,446,115,364)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(34,530,888,745)	(56,559,512,129)
22	Proceeds from disposals of fixed assets		642,272,726	8,041,831,601
25	Payments for investments in other entities		-	153,763,708,000
26	Proceeds from sale of investments in other entities		9,149,322,084	-
27	Interest and dividends received		21,718,529,735	13,884,155,145
30	Net cash flows (used in) from investing activities		(3,020,764,200)	119,130,182,617
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Issuance of shares		-	35,992,000,000
33	Drawdown of borrowings		6,042,963,679,870	4,889,634,614,815
34	Repayment of borrowings		(5,915,061,935,454)	(4,886,547,452,190)
36	Dividends paid	20.2	(241,907,534,200)	(93,597,185,500)
40	Net cash flows used in financing activities		(114,005,789,784)	(54,518,022,875)

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

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net (decrease) increase in cash and cash equivalents		(235,516,409,109)	39,166,044,378
60	Cash and cash equivalents at beginning of year		507,821,745,184	468,655,700,806
70	Cash and cash equivalents at end of year	5	272,305,336,075	507,821,745,184



Duong Quang Hai
Preparer



Dang Thi Lai
Chief Accountant



Cao Thi Ngoc Dung
General Director

30 March 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended 31 December 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 seventy four (174) retail shops located in various provinces in Vietnam.

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

Corporate structure

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

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.

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The 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 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).

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

2. BASIS OF PREPARATION (continued)

2.1 Accounting standards and system (continued)

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

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

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 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 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 consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash 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 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 consolidated income statement.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 consolidated income statement.

3.4 Fixed assets

Tangible and intangible fixed assets are stated at cost less accumulated depreciation or 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 consolidated income statement as incurred.

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

Land use rights

Land use right is recorded as an intangible fixed asset on the 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	5 - 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 consolidated 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.

3.7 *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 year in which they are incurred.

3.8 *Prepaid expenses*

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

The following types of expenses are recorded as long-term prepaid expenses and are amortised to the 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 consolidated income statement over 2 to 3 years.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Investments in associates*

The Group's investment in its associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that 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 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 year. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

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

The financial statements of the associates are prepared for the same reporting year 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.

3.10 *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.

3.11 *Investments in securities and other investments*

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

3.12 *Provision for investments*

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 expenses in the consolidated income statement.

3.13 *Payables and accruals*

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

3.14 *Foreign currency transactions*

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 consolidated income statement.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, and presented as a liability on the consolidated balance sheet.

3.16 *Earnings per share*

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

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

3.16 *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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue recognition (continued)

Dividends

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

3.18 Taxation

Current income tax

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

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

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 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 income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred 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 year in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 dated 6 November 2009 issued by the Ministry of Finance providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") are classified, for disclosures in the notes to the consolidated financial statements, as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

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

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

Financial liabilities

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

All financial liabilities are recognised initially at net of directly attributable transaction costs.

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 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. DISPOSAL OF EQUITY INTEREST

On 23 September 2014, the Company disposed all shares in Sai Gon Fuel Joint Stock Company to Ms Tran Thi Thu Phuong and Sai Gon Transport Agency Joint Stock Company in accordance with the Share Transfer Agreements dated 23 September 2014 at the selling price of VND 174,453,518,000. Accordingly, the Group incurred a loss of VND 1,667,321,778 from this transaction, and was recognised in the consolidated income statement (*Note 23*).

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

5. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	29,251,327,486	33,096,471,915
Cash at banks	6,653,427,710	18,313,361,447
Cash in transit	1,801,316,000	2,505,358,889
Cash equivalents	234,599,264,879	453,906,552,933
TOTAL	<u>272,305,336,075</u>	<u>507,821,745,184</u>

6. CURRENT ACCOUNTS RECEIVABLE

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables	43,282,823,370	52,341,746,512
<i>In which:</i>		
<i>Due from third parties</i>	43,282,823,370	52,341,746,512
Advances to suppliers	16,213,997,161	8,912,739,502
<i>In which:</i>		
<i>Due from third parties</i>	16,213,997,161	8,912,739,502
Other receivables	19,615,577,417	23,485,827,790
<i>In which:</i>		
<i>Due from third parties</i>	19,615,577,417	23,485,827,790
Provision for doubtful debts	<u>(7,787,546,259)</u>	<u>(8,719,473,559)</u>
NET	<u>71,324,851,689</u>	<u>76,020,840,245</u>

Details of movements of provision for doubtful debts

	VND	
	<i>Current year</i>	<i>Previous year</i>
At beginning of year	8,719,473,559	7,752,218,659
Add: Provision during the year	-	967,254,900
Less: Disposal of a subsidiary	<u>(931,927,300)</u>	<u>-</u>
At end of year	<u>7,787,546,259</u>	<u>8,719,473,559</u>

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

7. INVENTORIES

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Merchandise goods	1,252,394,534,919	974,547,900,904
Finished goods	129,280,128,300	34,000,318,883
Work in process	25,709,641,474	23,435,085,328
Tools and supplies	19,923,350,233	15,249,323,609
Raw materials	9,498,967,373	35,727,945,679
Goods in transit	608,973,823	4,383,788,692
TOTAL	<u>1,437,415,596,122</u>	<u>1,087,344,363,095</u>

Inventories of VND 570,000,000,000 were pledged as collateral for short-term loans obtained from commercial banks (*Note 15*).

8. OTHER CURRENT ASSETS

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Short-term rental deposits	13,588,573,996	11,685,238,240
Advances to employees	644,633,055	948,490,580
TOTAL	<u>14,233,207,051</u>	<u>12,633,728,820</u>

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

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total	VND
Cost:						
Beginning balance	147,284,311,942	111,093,495,287	13,374,704,748	18,503,462,515	290,255,974,492	
Additions	3,855,569,925	28,312,584,378	3,578,453,727	570,841,192	36,317,449,222	
Decrease due to disposal of a subsidiary	(27,516,251,371)	(17,901,134,848)	(1,570,039,031)	(1,240,563,717)	(48,227,988,967)	
Disposals	(3,065,337,514)	(4,505,491,463)	(4,945,665,483)	(308,326,073)	(12,824,820,533)	
Ending balance	120,558,292,982	116,999,453,354	10,437,453,951	17,525,413,917	265,520,614,214	
<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:						
Beginning balance	(23,962,054,915)	(70,618,706,336)	(10,043,223,644)	(11,098,268,814)	(115,722,253,709)	
Depreciation for the year	(6,265,492,687)	(11,795,555,747)	(843,260,685)	(3,315,942,923)	(22,220,252,042)	
Decrease due to disposal of a subsidiary	10,862,804,631	8,282,131,173	537,940,054	672,853,956	20,355,729,814	
Disposals	3,065,337,514	3,903,800,612	5,259,110,533	317,501,063	12,545,749,722	
Ending balance	(16,299,405,457)	(70,228,330,298)	(5,089,433,742)	(13,423,856,718)	(105,041,026,215)	
Net carrying amount:						
Beginning balance	123,322,257,027	40,474,788,951	3,331,481,104	7,405,193,701	174,533,720,783	
Ending balance	104,258,887,525	46,771,123,056	5,348,020,219	4,101,557,199	160,479,587,999	

Buildings and machineries with the carrying amount of VND 15,234,478,078 were pledged to obtain loans from commercial banks (Note 19).

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

10. INTANGIBLE FIXED ASSETS

	VND		
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
Cost:			
Beginning balance	291,340,705,353	1,112,471,613	292,453,176,966
Additions	-	6,826,215,970	6,826,215,970
Decrease due to disposal of a subsidiary	(6,157,436,365)	-	(6,157,436,365)
Ending balance	<u>285,183,268,988</u>	<u>7,938,687,583</u>	<u>293,121,956,571</u>
Accumulated amortization:			
Beginning balance	(1,029,617,114)	(767,749,389)	(1,797,366,503)
Amortization for the year	(123,262,190)	(1,104,528,926)	(1,227,791,116)
Decrease due to disposal of a subsidiary	1,152,879,304	-	1,152,879,304
Ending balance	<u>-</u>	<u>(1,872,278,315)</u>	<u>(1,872,278,315)</u>
Net carrying amount:			
Beginning balance	<u>290,311,088,239</u>	<u>344,722,224</u>	<u>290,655,810,463</u>
Ending balance	<u>285,183,268,988</u>	<u>6,066,409,268</u>	<u>291,249,678,256</u>

Land use rights with the carrying amount of VND 69,152,139,738 were pledged to obtain loans from commercial banks (Note 19).

11. INVESTMENT PROPERTIES

	VND		
	<i>Land use right</i>	<i>Building</i>	<i>Total</i>
Cost:			
Beginning balance	77,157,702,364	316,237,500	77,473,939,864
Decrease from disposal of a subsidiary	(77,245,002,199)	(316,237,500)	(77,561,239,699)
Reclassified	87,299,835	-	87,299,835
Ending balance	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated amortization:			
Beginning balance	(1,499,089,869)	(271,300,638)	(1,770,390,507)
Depreciation for the year	(360,993,942)	(492,967,391)	(853,961,333)
Decrease from disposal of a subsidiary	2,183,328,747	764,268,029	2,947,596,776
Reclassified	(323,244,936)	-	(323,244,936)
Ending balance	<u>-</u>	<u>-</u>	<u>-</u>
Net carrying amount:			
Beginning balance	<u>75,658,612,495</u>	<u>44,936,862</u>	<u>75,703,549,357</u>
Ending balance	<u>-</u>	<u>-</u>	<u>-</u>

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

12. LONG-TERM INVESTMENTS

12.1 Investment in associate

Name	Ending balance		Beginning balance	
	Cost of investment	% of interest	Cost of investment	% of interest
	VND		VND	
Dong A Land Joint Stock Company	<u>81,456,342,588</u>	30.62	<u>80,652,729,586</u>	30.62
			VND	
			Ending balance	Beginning balance
Cost of investment in associates		91,866,300,000		91,866,300,000
Accumulated loss of the associate		(8,540,632,787)		(9,344,245,789)
Dividends received		<u>(1,869,324,625)</u>		<u>(1,869,324,625)</u>
TOTAL		<u>81,456,342,588</u>		<u>80,652,729,586</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.

12.2 Other long-term investments

Name	Ending balance		Beginning balance	
	Number of shares	Cost of investment	Number of shares	Cost of investment
		VND		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	-	916,662	-	42,499,920,000
Hoang Minh Giam project	-	-	-	10,089,500,000
Gia Dinh Development Investment Corporation	-	625,000	-	10,000,000,000
Petec Coffee Joint stock Company	-	29,200	-	296,000,000
Others		<u>65,000,000</u>		<u>65,000,000</u>
TOTAL		<u>460,716,988,400</u>		<u>523,602,408,400</u>
Provision for long-term investments		<u>(10,309,113,400)</u>		<u>(14,550,000,000)</u>
NET		<u>450,407,875,000</u>		<u>509,052,408,400</u>

(i) DAB's shares were pledged to obtain loans from commercial banks (Note 15).

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

12. LONG-TERM INVESTMENTS

12.3 Provision for long-term investments

	VND	
	Current year	Previous year
At beginning of year	14,550,000,000	10,800,000,000
Add: Provision created during the year	-	3,750,000,000
Less: Decrease due to disposal of a subsidiary	<u>(4,240,886,600)</u>	<u>-</u>
At end of year	<u>10,309,113,400</u>	<u>14,550,000,000</u>

13. GOODWILL

Movements in goodwill during the year are as follows:

	VND
Cost:	
Beginning balance	89,462,385,361
Decrease from disposal of a subsidiary	<u>(89,462,385,361)</u>
Ending balance	<u>-</u>
Accumulated amortisation:	
Beginning balance	(4,473,119,268)
Amortisation for the year	(6,709,678,902)
Decrease from disposal of a subsidiary	<u>11,182,798,170</u>
Ending balance	<u>-</u>
Net carrying amount:	
Beginning balance	<u>84,989,266,093</u>
Ending balance	<u>-</u>

14. LONG-TERM PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Office and retail shop renovation costs	4,158,587,626	6,831,856,742
Retail shop rentals	3,198,215,073	3,670,835,189
Tool and supplies	<u>5,190,345,181</u>	<u>3,198,868,997</u>
TOTAL	<u>12,547,147,880</u>	<u>13,701,560,928</u>

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

15. SHORT-TERM LOANS

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>VND</i>	
Short-term loans from banks (i)	804,324,426,041	921,080,789,816
Short-term loans from individuals (ii)	317,316,702,000	234,315,577,160
Current portion of long-term loans (Note 19)	10,045,000,000	8,576,000,000
TOTAL	<u>1,131,686,128,041</u>	<u>1,163,972,366,976</u>

(i) Details of short-term loans with floating rate from commercial banks to finance the Group's working capital requirements are as follows:

<i>Banks</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Interest</i>	<i>Collateral</i>
	<i>VND</i>		<i>% p.a.</i>	
Asia Commercial Joint Stock Bank - Main Transaction Office	208,300,000,000	From 9 January 2015 to 26 March 2015	From 6 to 6.5	The Group's DAB shares
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch	138,453,326,647	From 6 January 2015 to 30 March 2015	From 2.8 to 5.9	Inventories
Joint Stock Company Bank for Foreign Trade of Vietnam – Ho Chi Minh Branch	122,893,085,681	From 3 January 2015 to 23 March 2015	From 2.8 to 5.9	Unsecured
Southeast Asia Commercial Joint Stock Bank	90,000,000,000	From 11 March 2015 to 29 March 2015	6.5	Unsecured
Petrolimex Group Commercial Joint Stock Bank - Ho Chi Minh Branch	70,000,000,000	From 27 February 2015 to 9 March 2015	6	Inventories
CTBC Bank Company Limited – Ho Chi Minh Branch	63,000,000,000	From 10 January 2015 to 30 January 2015	From 5.2 to 5.5	Unsecured
Shinhan Bank Vietnam Limited – Ho Chi Minh Branch	60,000,000,000	From 10 January 2015 to 30 January 2015	From 5 to 5.5	Unsecured
Military Commercial Joint Stock Bank – Ho Chi Minh Branch	20,393,013,713	From 25 January 2015 to 28 February 2015	4.7	Inventories
Ho Chi Minh City Housing Development Commercial Joint Stock Bank – Ho Chi Minh Branch	15,900,000,000	09 January 2015	5.7	Inventories
Vietnam Prosperity Joint Stock Commercial Bank – Ho Chi Minh Branch	15,385,000,000	19 February 2015	4.5	Inventories
TOTAL	<u>804,324,426,041</u>			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2014**15. SHORT-TERM LOANS** (continued)

(ii) Details of individual loans with floating rate to finance the Group's working capital requirements are as follows:

<i>Lender</i>	<i>Ending balance</i> VND	<i>Maturity date</i>	<i>Interest</i> % p.a.	<i>Collateral</i>
Individuals	<u>317,316,702,000</u>	2 July 2015	From 1 to 5	Unsecured

16. TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Due to third parties	140,059,263,813	109,627,278,389
Due to a related party	-	1,504,954,000
TOTAL	<u>140,059,263,813</u>	<u>111,132,232,389</u>

17. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax (Note 25.2)	32,257,181,575	34,652,596,198
Value-added tax	13,079,594,203	7,371,279,970
Others	556,781,866	6,259,805,521
TOTAL	<u>45,893,557,644</u>	<u>48,283,681,689</u>

18. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade union fees	4,912,336,783	577,634,092
Social and health insurance	-	5,824,124,515
Others	22,340,556,629	25,564,302,188
TOTAL	<u>27,252,893,412</u>	<u>31,966,060,795</u>

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

19. LONG-TERM LOANS

	<i>Ending balance</i>	<i>Beginning balance</i>
Loans from banks	<u>147,174,000,000</u>	<u>138,159,036,649</u>
<i>In which:</i>		
<i>Current portion (Note 15)</i>	<i>10,045,000,000</i>	<i>8,576,000,000</i>
<i>Non-current portion</i>	<i>137,129,000,000</i>	<i>129,583,036,649</i>

Details of the long-term loans with floating rate from the commercial banks to finance the Group's working capital requirements are as follows:

<i>Banks</i>	<i>Ending balance</i> VND	<i>Maturity date</i>	<i>Interest</i> % p.a.	<i>Collateral</i>
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; house located at 52A- 52B Nguyen Van Troi Street, 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	59,001,000,000	31 December 2020	6.5	Land use right of land lot located at 16-18 Thu Khoa Huan street, District 1, Ho Chi Minh City
TOTAL	<u>137,129,000,000</u>			

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

20. OWNERS' EQUITY

20.1 *Movements in owners' equity*

	Share capital	Share premium	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings	VND Total
Previous year							
Beginning balance	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
Capital increase	35,992,000,000	-	-	-	-	-	35,992,000,000
Net profit for the year	-	-	-	-	-	163,171,192,453	163,171,192,453
Dividends paid	-	-	-	-	-	(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	-	-	-	-	-	(29,084,442,000)	(29,084,442,000)
Ending balance	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
Current year							
Beginning balance	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 year	-	-	-	-	-	242,495,305,974	242,495,305,974
Dividends paid	-	-	-	-	-	(241,907,534,200)	(241,907,534,200)
Profit appropriation	-	-	-	40,000,000,000	9,100,000,000	(49,100,000,000)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(22,285,541,431)	(22,285,541,431)
Ending balance	755,970,350,000	105,021,650,000	(7,090,000)	166,070,897,000	66,734,153,783	202,732,850,786	1,296,522,811,569

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

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners and distribution of dividends

	Current year	VND Previous year
Contributed share capital		
Beginning balance	755,970,350,000	719,978,350,000
Increase in year	-	35,992,000,000
Ending balance	<u>755,970,350,000</u>	<u>755,970,350,000</u>
Dividends paid	241,907,534,200	93,597,185,500
Dividends declared	241,907,534,200	93,597,185,500

20.3 Shares – ordinary shares

	Ending balance Number of shares	Beginning balance Number of shares
Shares authorised to be issued	75,597,035	75,597,035
Shares issued and fully paid		
<i>Ordinary shares</i>	75,597,035	75,597,035
Treasury shares		
<i>Ordinary shares</i>	(709)	(709)
Shares in circulation		
<i>Ordinary shares</i>	75,596,326	75,596,326

20.4 Earnings per share

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

	Current year	VND Previous year
Net profit attributable to ordinary equity holders of the Company	242,495,305,974	163,171,192,453
Weighted average number of ordinary shares during the year for basic earnings per share	<u>75,596,326</u>	<u>72,877,150</u>
Basic and diluted earnings per share	3,208	2,239

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

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

21. REVENUE

21.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	9,297,810,872,565	8,973,965,897,995
<i>Of which:</i>		
<i>Sale of gold, silver and jewelry</i>	7,293,513,471,782	7,611,715,510,190
<i>Sale of oil, gasoline</i>	1,968,961,904,427	1,313,994,762,889
<i>Rendering of services</i>	20,613,001,351	29,913,547,651
<i>Sale of accessories</i>	14,722,495,005	10,455,218,391
<i>Sale of investment properties</i>	-	7,886,858,874
Less:	(98,592,775,013)	(59,783,311,660)
<i>Sales return</i>	(16,390,474,227)	(11,963,078,881)
<i>Value-added tax applying direct method</i>	(82,202,300,786)	(47,820,232,779)
Net revenue	<u>9,199,218,097,552</u>	<u>8,914,182,586,335</u>
<i>Of which:</i>		
<i>Sale of gold, silver and jewelry</i>	7,195,380,287,678	7,551,932,198,530
<i>Sale of oil, gasoline</i>	1,968,502,313,518	1,313,994,762,889
<i>Rendering of services</i>	20,613,001,351	29,913,547,651
<i>Sale of accessories</i>	14,722,495,005	10,455,218,391
<i>Sale of investment properties</i>	-	7,886,858,874

21.2 Finance income

	VND	
	Current year	Previous year
Interest income	9,907,458,935	8,910,778,895
Dividends earned	8,422,164,000	4,973,376,250
Foreign exchange gains	409,104,517	9,913,712,730
Others	768,978	-
TOTAL	<u>18,739,496,430</u>	<u>23,797,867,875</u>

22. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of gold, silver and gemstone	6,406,635,018,755	6,949,345,429,458
Cost of oil, gasoline	1,889,614,030,755	1,276,501,528,129
Cost of accessories	10,339,492,458	8,316,439,999
Cost of rendering of services	3,393,999,670	3,241,020,899
Cost of investment properties	-	7,090,309,408
TOTAL	<u>8,309,982,541,638</u>	<u>8,244,494,727,893</u>

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

23. FINANCE EXPENSES

	<i>Current year</i>	<i>VND Previous year</i>
Interest expense	79,682,197,799	83,525,727,307
Loss from disposal of its investment	6,772,956,000	-
Loss from disposal a subsidiary	1,667,321,778	-
Realised foreign exchange losses (Reversal provision) provision for investments	964,406,647	530,688,195
Others	(490,724,600)	914,265,314
	1,658,496,601	-
TOTAL	<u>90,254,654,225</u>	<u>84,970,680,816</u>

24. PRODUCTION AND OPERATING COSTS

	<i>Current year</i>	<i>VND Previous year</i>
Raw materials	8,318,149,954,817	6,872,839,994,572
Labour costs	196,647,826,741	206,253,924,347
Depreciation and amortization	31,011,683,393	23,809,470,760
Expenses for external services	140,630,305,595	60,407,074,545
Others	7,691,926,404	33,189,953,509
TOTAL	<u>8,694,131,696,950</u>	<u>7,196,500,417,733</u>

25. CORPORATE INCOME TAX

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

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

25.1 CIT expense

	<i>Current year</i>	<i>VND Previous year</i>
Current CIT expense	79,455,050,132	63,397,865,936
Adjustment for under accrual of tax from prior years	-	792,476,264
TOTAL	<u>79,455,050,132</u>	<u>64,190,342,200</u>

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

25. CORPORATE INCOME TAX (continued)

25.2 Current CIT

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

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

	VND	
	<i>Current year</i>	<i>Previous year</i>
Profit before tax	335,033,546,883	233,007,287,265
<i>Adjustments:</i>		
Disposal of a subsidiary	37,536,997,255	-
Amortised goodwill	6,709,678,902	4,473,119,268
Non-deductible expenses	3,992,383,321	3,850,640,125
Change in accrued expenses	998,238,764	1,142,984,543
(Reversal of provision) provision for investments	(13,323,048,310)	15,390,245,680
Unrealised foreign exchange losses	-	121,085,676
Dividends earned	(8,422,164,000)	(4,973,376,250)
Share of losses (profits) of associates	(803,613,002)	579,477,436
Estimated current taxable profit	361,722,019,813	253,591,463,743
Estimated current CIT	79,455,050,132	63,397,865,936
Increase from acquisition of a subsidiary	-	2,065,090,141
Decrease due to disposal of a subsidiary	(2,648,752,294)	-
Adjustment for under accrual of CIT from prior years	-	792,476,264
CIT payable at beginning of year	34,638,232,422	12,203,462,214
CIT paid during the year	(79,187,348,685)	(43,806,298,357)
CIT payable at end of year	32,257,181,575	34,652,596,198

25.3 Deferred CIT

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

	VND			
	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Accrued expenses	921,462,852	701,850,324	293,307,944	220,310,692

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

26. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>VND 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, the Board of Supervision and Management:

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Salaries and bonus	<u>8,445,600,000</u>	<u>7,352,559,205</u>

27. OPERATING LEASE COMMITMENTS

The Group leases shops and outlets under operating lease arrangements. The minimum lease commitment as at 31 December 2014 under the operating lease agreement is as follows:

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Within 1 year	14,095,981,829	17,480,110,344
From 1 to 5 years	34,668,159,280	32,573,796,164
Over 5 years	36,271,432,000	6,356,902,800
TOTAL	<u>85,035,573,109</u>	<u>56,410,809,308</u>

28. 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 consolidated 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, investment property, oil, and gasoline.

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 consolidated financial statements.

The Group operates in one geographical segment which is Vietnam.

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

28. 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	Oil, gasoline	inspection services	Jewellery	Others	Elimination	VND Total
For the year ended 31 December 2014:								
Revenue								
Sale to external customers	7,311,455,719,888	14,722,495,005	1,968,561,904,427	20,557,649,055	55,352,296	(6,058,769,841)	9,309,694,350,830	
Sale deduction	(97,976,926,104)	-	(459,590,909)	-	-	-	(98,436,517,013)	
Total revenue	7,213,478,793,784	14,722,495,005	1,968,502,313,518	20,557,649,055	55,352,296	(6,058,769,841)	9,211,257,833,817	
Results								
Segment gross profit	789,143,533,920	4,383,002,547	78,888,282,763	8,483,302,588	8,735,699,093	(215,499,997)	889,418,320,914	
Unallocated expenses							(484,755,530,497)	
Finance income							18,739,496,430	
Finance expenses							(90,254,654,225)	
Other profit							1,885,914,261	
Net profit before CIT							335,033,546,883	
CIT expense							(79,161,742,188)	
Net profit for the year							255,871,804,695	
Assets and liabilities								
Segment assets	2,822,665,949,349	5,450,124,840	-	19,553,582,157	-	(21,996,805,575)	2,824,672,850,771	
Unallocated assets							3,999,452,578	
Total assets							2,828,672,303,349	
Segment liabilities	1,518,195,856,419	-	-	1,625,018,416	-	(22,060,674,626)	1,497,760,200,209	
Unallocated liabilities							34,519,326,833	
Total liabilities							1,532,279,527,042	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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28. SEGMENT INFORMATION (continued)

	Gold, silver and gemstone	Accessories	Gasoline	inspection	Jewellery services	Investment property	Elimination	VND Total
For the year ended 31 December 2013:								
Revenue								
Sale to external customers	7,626,109,944,173	10,455,218,391	1,323,241,482,592	20,666,827,948	7,886,858,874	(14,394,433,983)	8,973,965,897,995	
Sale deduction	(59,783,311,660)	-	-	-	-	-	(59,783,311,660)	
Total revenue	7,566,326,632,513	10,455,218,391	1,323,241,482,592	20,666,827,948	7,886,858,874	(14,394,433,983)	8,914,182,586,335	
Results								
Segment gross profit	603,143,791,798	2,138,778,392	46,739,954,463	17,425,807,049	796,549,466	(557,022,726)	669,687,858,442	
Unallocated expenses							(375,870,134,808)	
Finance income							23,797,867,875	
Finance expenses							(84,970,680,816)	
Other profit							362,376,572	
Net profit before CIT							233,007,287,265	
CIT expense							(63,970,031,508)	
Net profit for the year							169,037,255,757	
Assets and liabilities								
Segment assets	2,571,737,400,709	6,733,246,387	393,867,103,742	13,803,186,625	52,150,619,987	(85,595,995,411)	2,952,695,562,039	
Unallocated assets							4,003,428,418	
Total assets							2,956,698,990,457	
Segment liabilities	1,227,641,312,753	-	270,352,381,181	1,816,120,546	-	(17,913,615,563)	1,481,896,198,917	
Unallocated liabilities							68,784,672,108	
Total liabilities							1,550,680,871,025	

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

29. 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, deposits and available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 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, deposits 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 Company'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>
Current year		
VND	+200	(2,742,580,000)
VND	-200	2,742,580,000
Previous year		
VND	+200	(2,591,660,733)
VND	-200	2,591,660,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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29. 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.

No analysis on foreign currency sensitivity was performed for the year ended 31 December 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 Board of Directors reviews and approves all equity investment decisions.

As at 31 December 2014, the exposure to listed and unlisted equity securities at fair value was VND 450,342,875,000 (31 December 2013: VND 503,151,908,400). A decrease of 10% in the value of the listed and unlisted securities could have an impact of approximately VND 45,034,287,500 (31 December 2013: VND 50,315,190,840) on the Group's profit before tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed and unlisted securities would increase Group's profit before tax by VND 45,034,287,500 (31 December 2013: VND 50,315,190,840).

Commodity price risk

The Group exposes 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.

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 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.

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

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

The Group monitors its liquidity risk by maintaining a level of cash, 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 Total</i>
Ending balance			
Loans	1,131,686,128,041	137,129,000,000	1,268,815,128,041
Trade payables	140,059,263,813	-	140,059,263,813
Other payables, and accrued expenses	31,441,360,922	-	31,441,360,922
TOTAL	<u>1,303,186,752,776</u>	<u>137,129,000,000</u>	<u>1,440,315,752,776</u>
Beginning balance			
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 inventories, fixed assets and DAB's shares in order to fulfil the collateral requirements for loans obtained from commercial banks (*Notes 15 and 19*).

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

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

30. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Carrying amount			Fair value		VND
	Ending balance	Cost	Provision	Ending balance	Beginning balance	
Financial assets						
Other long-term investments	460,716,988,400	(10,308,951,400)	-	523,602,408,400	(14,550,000,000)	450,408,037,000
Trade receivables	43,282,823,370	-	-	52,341,746,512	-	43,282,823,370
Other receivables	19,615,577,417	(7,787,546,259)	-	23,485,827,790	(8,719,473,559)	11,828,031,158
Cash and cash equivalents	272,305,336,075	-	-	507,821,745,184	-	272,305,336,075
TOTAL	795,920,725,262	(18,096,497,659)	-	1,107,251,727,886	(23,269,473,559)	777,824,227,603
						1,083,982,254,327
						VND
Financial liabilities						
Loans	1,268,815,128,041	1,293,555,403,625	-	1,268,815,128,041	1,293,555,403,625	1,293,555,403,625
Trade payables	140,059,263,813	106,649,186,389	-	140,059,263,813	106,649,186,389	106,649,186,389
Payables to related parties	-	4,483,046,000	-	-	4,483,046,000	4,483,046,000
Other payables, and accrued expense	31,441,360,922	35,490,736,885	-	31,441,360,922	35,490,736,885	35,490,736,885
TOTAL	1,440,315,752,776	1,440,178,372,899	-	1,440,315,752,776	1,440,178,372,899	1,440,178,372,899
						VND

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

30. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the financial assets and liabilities had not yet been formally assessed and determined as at 31 December 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 value as at balance sheet date.

31. EVENTS AFTER THE BALANCE SHEET DATE

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



Duong Quang Hai
Preparer



Dang Thi Lai
Chief Accountant

Cao Thi Ngoc Dung
General Director

30 March 2015