

KinhBac City Development Holding Corporation

Consolidated financial statements

31 December 2015



KinhBac City Development Holding Corporation

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KINH BAC CITY DEVELOPMENT HOLDING CORPORATION

KinhBac City Development Holding Corporation

GENERAL INFORMATION

THE COMPANY

KinhBac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam in pursuant to the Investment Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002, and the subsequent amendments, with the latest is the 15th amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh province on 30 January 2015.

The Company has the following subsidiaries:

- ▶ Saigon - Bacgiang Industrial Park Corporation;
- ▶ Sai Gon - Hai Phong Industrial Park Corporation;
- ▶ Northwest Saigon City Development Corporation; and
- ▶ Trang Cat One Member Urban Development Company Limited.

The current principal activities of the Company are to invest, construct and trade residential areas, re-settlement areas, workman's residential areas, industrial parks; leasing out and selling the factories and houses constructed by the Company in the industrial parks, residential areas, financial investment; and others activities in accordance with the Investment Certificate.

The Company's head office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its branch is:

<i>No</i>	<i>Branch</i>	<i>Address</i>
1.	KinhBac City Development Holding Corporation – HCM branch	No. 20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City, Viet Nam

The Company's shares are listed in Ho Chi Minh city's Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by Ho Chi Minh city's Stock Exchange on 7 December 2009.

BOARD OF DIRECTORS

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

Mr. Dang Thanh Tam	Chairman
Ms. Nguyen Thi Thu Huong	Member
Mr. Ngo Manh Hung	Member
Mr. Huynh Phat	Member
Mr. Pham Phuc Hieu	Member

BOARD OF SUPERVISION

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

Ms. Nguyen Chung Thuy	Head of Board
Ms. Le Thi Thu Hang	Member
Mr. Phan Anh Tuan	Member

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KinhBac City Development Holding Corporation

GENERAL INFORMATION (continued)

BOARD OF MANAGEMENT

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

Ms. Nguyen Thi Thu Huong	General Director	
Mr. Phan Anh Dung	Deputy General Director	
Mr. Pham Phuc Hieu	Deputy General Director and Chief Accountant	
Ms. Nguyen My Ngoc	Deputy General Director	Appointed on 2 February 2015

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Dang Thanh Tam. In accordance with the authorization letter No. 2311/2012/KBC/UQ dated 23 November 2012, Ms. Nguyen Thi Thu Huong has been authorized by Mr. Dang Thanh Tam to sign the financial statements.

AUDITORS

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

KinhBac City Development Holding Corporation

REPORT OF MANAGEMENT

Management of KinhBac City Development Holding Corporation ("the Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2015.

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 2015 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnam Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.

For and on behalf of management:



Nguyen Thi Thu Huong
General Director

Bac Ninh, Vietnam

24 March 2016

Reference: 60774739/17684158-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of KinhBac City Development Holding Corporation

We have audited the accompanying consolidated financial statements of KinhBac City Development Holding Corporation ("the Company") and its subsidiaries (collectively referred to as the "Group") as prepared on 24 March 2016 and set out on pages 6 to 65, which comprise the consolidated balance sheet as at 31 December 2015, 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 the 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2015, 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 the preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited



Bùi Anh Tuấn
Deputy General Director
Audit Practising Registration
Certificate No. 1067-2013-004-1



Nguyen Quoc Anh
Auditor
Audit Practising Registration
Certificate No. 2584-2013-004-1

Hanoi, Vietnam

24 March 2016

CONSOLIDATED BALANCE SHEET
as at 31 December 2015

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance (Restated)
100	A. CURRENT ASSETS		12,003,018,598,664	10,667,175,221,353
110	I. Cash and cash equivalents	4	228,164,359,677	149,105,090,802
111	1. Cash		129,164,359,677	93,733,757,469
112	2. Cash equivalents		99,000,000,000	55,371,333,333
120	II. Short-term investments	5	1,738,191,200	2,497,416,000
121	1. Held-for-trading securities		7,490,461,369	7,490,461,369
122	2. Provision for held-for-trading securities		(5,752,270,169)	(4,993,045,369)
130	III. Current accounts receivable		3,361,578,772,409	2,848,273,048,478
131	1. Short-term trade receivables	6.1	493,980,606,252	663,149,321,859
132	2. Short-term advances to suppliers	6.2	1,324,234,430,950	1,334,536,831,350
135	3. Short-term loan receivables	7	12,499,720,000	62,790,991,000
136	4. Other short-term receivables	8	1,539,947,458,507	807,145,796,736
137	5. Provision for doubtful short-term receivables	6.3	(9,083,443,300)	(19,349,892,467)
140	IV. Inventories	9	8,364,448,377,871	7,616,350,104,559
141	1. Inventories		8,364,448,377,871	7,616,350,104,559
150	V. Other current assets		47,088,897,507	50,949,561,514
151	1. Short-term prepaid expenses		47,960,000	2,588,293,334
152	2. Value-added tax deductible		9,081,463,147	3,269,129,928
153	3. Tax and other receivables from the State	16	37,959,474,360	45,092,138,252

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2015

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance (Restated)
200	B. NON-CURRENT ASSETS		1,650,688,560,966	2,399,085,782,858
210	I. Long-term receivables		355,625,579,821	480,405,988,391
211	1. Long-term trade receivables	6.1	332,305,529,704	465,365,588,391
215	2. Long-term loan receivables	7	7,692,700,000	14,685,400,000
216	3. Other long-term receivables	8	15,627,350,117	355,000,000
220	II. Fixed assets		141,005,430,934	138,923,585,647
221	1. Tangible fixed assets	10	141,005,430,934	138,923,585,647
222	Cost		268,169,967,655	241,743,465,160
223	Accumulated depreciation		(127,164,536,721)	(102,819,879,513)
227	2. Intangible fixed assets		-	-
228	Cost		72,075,500	72,075,500
229	Accumulated amortisation		(72,075,500)	(72,075,500)
230	III. Investment properties	11	20,415,184,100	22,182,071,105
231	1. Cost		27,405,394,467	27,405,394,467
232	2. Accumulated depreciation		(6,990,210,367)	(5,223,323,362)
240	IV. Long-term assets in progress		234,900,661,548	236,668,373,001
242	1. Construction in progress	12	234,900,661,548	236,668,373,001
250	V. Long-term investments	14	892,602,719,246	1,517,791,599,580
252	1. Investments in associates, jointly controlled entities	14.1	462,788,335,881	445,993,554,433
253	2. Investment in other entities	14.2	452,867,200,000	1,141,492,700,000
254	3. Provision for long-term investments		(23,052,816,635)	(69,694,654,853)
260	VI. Other long-term assets		6,138,985,317	3,114,165,134
261	1. Long-term prepaid expenses		6,138,985,317	3,114,165,134
270	TOTAL ASSETS		13,653,707,159,630	13,066,261,004,211

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2015

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance (Restated)
300	C. LIABILITIES		5,617,702,171,787	6,809,779,471,724
310	<i>I. Current liabilities</i>		2,944,659,205,006	2,592,533,350,470
311	1. Short-term trade payables	15.1	76,993,266,642	55,676,320,830
312	2. Short-term advances from customers	15.2	425,917,221,868	408,858,439,492
313	3. Statutory obligations	16	175,787,525,774	102,669,431,090
314	4. Payables to employees		68,698,469	1,606,801,500
315	5. Short-term accrued expenses	17	1,023,287,715,032	795,543,565,167
319	6. Other short-term payables	18	30,319,777,921	204,222,732,462
320	7. Short-term loans and finance lease obligations	19	1,205,201,739,991	1,016,821,780,620
322	8. Bonus and welfare fund		7,083,259,309	7,134,279,309
330	<i>II. Non-current liabilities</i>		2,673,042,966,781	4,217,246,121,254
333	1. Long-term accrued expenses	17	757,092,452,968	628,089,032,022
336	2. Long-term unearned revenue		5,302,235,179	5,616,285,654
337	3. Other long-term liabilities	18	59,272,399,555	62,070,305,020
338	4. Long-term loans and finance lease obligations	19	1,351,536,142,090	2,149,611,923,045
339	5. Convertible bonds	20	-	886,050,000,000
341	6. Deferred tax liabilities	28.3	498,887,769,027	484,856,607,551
342	7. Long-term provisions		951,967,962	951,967,962

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2015

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance (Restated)
400	D. OWNERS' EQUITY		8,036,004,987,843	6,256,481,532,486
410	i. Capital		8,036,004,987,843	6,256,481,532,486
411	1. Share capital	21.1	4,757,111,670,000	3,957,111,670,000
411a	- Shares with voting rights		4,757,111,670,000	3,957,111,670,000
412	2. Share premium	21.1	989,064,430,000	611,603,430,000
415	3. Treasury shares	21.1	(364,466,650,000)	(364,466,650,000)
418	4. Investment and development fund	21.1	2,223,693,823	2,223,693,823
421	5. Undistributed earnings		1,781,536,119,480	1,169,625,513,861
421a	- Undistributed earnings of prior year		1,169,625,513,861	844,008,284,354
421b	- Undistributed earnings of current year		611,910,605,619	325,617,229,507
429	6. Non-controlling interests	22	870,535,724,540	880,383,874,802
440	TOTAL LIABILITIES AND OWNERS' EQUITY		13,653,707,159,630	13,066,261,004,211

Luu Phuong Mai
Preparer

Pham Phuc Hieu
Chief Accountant



Nguyen Thi Thu Huong
General Director

24 March 2016

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2015

Currency: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
01	1. Revenue from sale of goods and rendering of services	23.1	1,434,851,916,992	1,069,035,499,895
02	2. Deductions	23.1	-	-
10	3. Net revenue from sale of goods and rendering of services	23.1	1,434,851,916,992	1,069,035,499,895
11	4. Cost of goods sold and services rendered	24	861,405,092,161	481,366,165,270
20	5. Gross profit from sale of goods and rendering of services		573,446,824,831	587,669,334,625
21	6. Finance income	23.2	317,123,475,612	143,894,837,330
22	7. Finance expenses	25	41,370,870,831	292,150,961,413
23	- In which: Interest expenses		89,987,678,791	251,673,017,974
24	8. Shares of profit/(loss) of associates, joint-ventures	14.1	9,590,181,448	(513,929,038)
25	9. Selling expenses	26	34,887,804,923	17,688,233,075
26	10. General and administrative expenses	26	92,999,002,177	80,645,935,431
30	11. Operating profit		730,902,803,960	340,565,112,998
31	12. Other income		1,328,307,512	797,669,217
32	13. Other expenses		2,255,982,547	90,689,835
40	14. Other (loss)/profit		(927,675,035)	706,979,382
50	15. Accounting profit before tax		729,975,128,925	341,272,092,380

CONSOLIDATED INCOME STATEMENT (continued)
for the year ended 31 December 2015

Currency: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
51	16. Current corporate income tax expenses	28.1	113,881,512,091	1,922,333,344
52	17. Deferred income tax expenses	28.3	14,031,161,477	27,380,624,397
60	18. Net profit after tax		602,062,455,357	311,969,134,639
61	19. Net profit after tax attributable to shareholders of the parent		611,910,605,619	325,617,229,507
62	20. Net loss after tax attributable to non-controlling interests		(9,848,150,262)	(13,648,094,868)
70	21. Basic earnings per share	30	1,316	904
71	22. Diluted earnings per share	30	1,316	903



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Chief Accountant




Nguyen Thi Thu Huong
General Director

24 March 2016

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2015

Currency: VND

Code	ITEMS	Notes	Current year	Previous year (Restated)
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax		729,975,128,925	341,272,092,380
	Adjustments for:			
02	Depreciation and amortisation of fixed assets	10,11	28,361,454,661	32,881,714,180
03	Provision		(56,149,062,585)	(4,984,648,260)
04	Foreign exchange (gains)/losses arising from revaluation of monetary accounts denominated in foreign currency	23.2, 25	(583,508,308)	3,588,622,690
05	Profits from investing activities		(306,084,314,413)	(130,804,474,566)
	Loss from reduction of ownership in subsidiary		-	35,333,255,565
06	Interest expenses	25	89,987,678,791	251,673,017,974
08	Operating profit before changes in working capital		485,507,377,071	528,959,579,963
09	Decrease/(increase) in receivables		149,323,255,193	(136,799,809,642)
10	(Increase)/decrease in inventories		(509,888,330,440)	19,927,631,511
11	(Decrease)/increase in payables (other than interest, corporate income tax)		(53,296,085,215)	361,034,537,926
12	(Increase)/decrease in prepaid expenses		(484,486,851)	1,109,214,568
14	Interest paid		(142,033,020,514)	(265,143,438,037)
15	Corporate income tax paid	28.2	(7,694,466,484)	(3,239,921,072)
17	Other cash outflows from operating activities		(51,020,000)	(5,655,945,606)
20	Net cash flows (used in)/from operating activities		(78,616,777,240)	500,191,849,611
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets and other long-term assets		(39,703,275,406)	(24,291,863,634)
22	Proceeds from disposals of fixed assets and other long-term assets		-	227,272,727
23	Loans to other entities and payments for purchase of debt instruments of other entities		(15,326,000,000)	-
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		72,609,971,000	-
25	Payments for investments in other entities		-	(839,226,983,978)
26	Proceeds from sale of investments in other entities		148,283,000,000	209,110,000,000
27	Interest and dividends received		6,694,132,965	5,112,285,445
30	Net cash flows from/(used in) investing activities		172,557,828,559	(649,069,289,440)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2015

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		1,081,991,327,696	900,000,000,000
34	Repayment of borrowings		(1,096,864,972,234)	(705,109,371,518)
40	Net cash flows (used in)/from financing activities		(14,873,644,538)	194,890,628,482
50	Net increase in cash and cash equivalents for the year		79,067,406,781	46,013,188,653
60	Cash and cash equivalents at the beginning of the year		149,105,090,802	103,092,930,135
61	Impact of exchange rate fluctuation		(8,137,906)	(1,027,986)
70	Cash and cash equivalents at the end of the year	4	228,164,359,677	149,105,090,802



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Chief Accountant



Nguyen Thi Thu Huong
General Director

24 March 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2015 and for the year then ended

1. CORPORATE INFORMATION

Kinh Bac City Development Holding Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam in pursuant to the Business Registration Certificate No. 2103000012 issued by the Department of Planning and Investment of Bac Ninh province on 27 March 2002 and the subsequent amendments, with the latest is the 15th amendment No. 2300233993 being granted by the Department of Planning and Investment of Bac Ninh province on 30 January 2015.

The current principal activities of the Company are to invest, construct and trade residential areas, re-settlement areas, workman's residential areas, industrial parks; leasing out and selling the factories and houses constructed by the Company in the industrial parks, residential areas, financial investment; and others activities in accordance with the Investment Certificate.

Business cycle of the company starts from the acquisition of investment license, land clearance, infrastructure construction of Industrial Parks and urban areas until the time of completion and is handed over to customers, thus the business cycle of the Company may extend over 12 months.

The Company's head office is located at Lot B7, Que Vo Industrial Park, Phuong Lieu Commune, Que Vo District, Bac Ninh Province, Vietnam and its branch as below:

No	Branch	Address
1,	KinhBac City Development Holding Corporation – Ho Chi Minh Branch	20 Phung Khac Khoan, Da Kao Ward, No. 1 District, Ho Chi Minh City.

The Company's shares were listed on Ho Chi Minh city's Stock Exchange in accordance with Decision No. 153/QD-SGDHCM issued by Ho Chi Minh city's Stock Exchange on 7 December 2009.

The total number of employees as at 31 December 2015 is 411 (31 December 2014: 398).

Corporate structure

At 31 December 2015, the Company has the following subsidiaries:

No.	Company's name	Voting right (%)	Interest right (%)	Head office	Main activities
1	Saigon - Bacgiang Industrial Park JSC	59.5	59.5	Quang Chau Industrial Park, Quang Chau commune, Viet Yen district, Bac Giang province	Investment, building and trading real estates
2	Saigon - Hai Phong Industrial Park JSC	86.54	86.54	Trang Due Industrial Park, Le Loi commune, An Duong district, Hai Phong city	Investment, building and trading real estates
3	Northwest Saigon City Development JSC	60.52	60.52	Tram Bom, National Road No. 22, Tan Phu Trung, Cu Chi, Ho Chi Minh City	Investment, building and trading real estates
4	Trang Cat One Member Urban Development Company Limited	100	100	Bai Trieu Area, Trang Cat Commune, Hai An District, in Dinh Vu - Cat Hai Economical Zone, Hai Phong.	Investment, building and trading real estates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

2. BASIS OF PREPARATION

2.1 Accounting standards and system

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

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

Accordingly, the accompanying consolidated financial statements, 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 Company'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 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 as at 31 December 2015 and for the year then ended.

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 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 result from intra-company transactions are eliminated in full.

Non-controlling 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation (continued)

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Change in accounting policies and disclosures

The accounting policies adopted by the Group in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014 except for the changes in the accounting policies in relation to the following:

3.1.1 Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system ("Circular 200") replacing Decision No. 15/2006/QD-BTC dated 20 March 2006 ("Decision 15") and Circular No. 244/2009 / TT-BTC dated 31 December 2009 of the Ministry of Finance ("Circular 244"), Circular 200 is effective for the financial year beginning on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Group are applied on a prospective basis as Circular 200 does not require for retrospective application. The Company also reclassifies certain corresponding figures of prior period following the presentation of the current period's consolidated financial statements in accordance with Circular 200 as disclosed in Note 32.

3.1.2 Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202") replacing section XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007. Circular 202 is effective for the preparation and presentation of consolidated financial statements for the financial years beginning on or after 1 January 2015.

The effects of the change in accounting treatment in accordance with Circular 202 are applied on a prospective as this Circular does not require for retrospective application.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Inventories*

Industrial and urban real estate properties which have been developed for sale in the normal course of operations of the Group, not held for lease or capital appreciation, are recorded as inventory at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

The cost of real estate properties for sale comprises of land compensation, site restoration, construction of road and drainage system, factories and other infrastructure costs, construction costs, capitalized borrowing cost, consultancy cost, design cost, ... and other related costs.

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.

Provision for obsolete inventories

An inventories provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.4 *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.

3.5 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.7 *Depreciation and amortisation*

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

Buildings and structures (land and infrastructure development cost)	8 – 25 year
Machinery and equipment	4 – 8 year
Means of transportation	6 – 10 year
Office equipment	3 – 5 year

3.8 *Investment properties*

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortisation.

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

Factories	8 years
Land and infrastructure development cost	45 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Borrowing costs*

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

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

3.10 *Prepaid expenses*

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

The following types of expenses are reported as long-term prepaid expenses to be amortized for 3 to 5 years on the consolidated income statement:

- ▶ Prepaid lease expenses are amortized to prepaid lease term; and
- ▶ Other long-term prepaid expenses are amortized over 1 to 3 years.

3.11 *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.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over 10-year period on a straight-line basis.

3.12 *Investments*

Investment in associates

The Group's investment in its associate 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. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *Investments* (continued)

Investment in associates (continued)

The share of post-acquisition profit/(loss) of the associates is presented on the face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from associates reduces the carrying amount of the investment.

The 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.

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Provision for held-for-trading securities and investments

Provision is made for any diminution in value of the held-for-trading securities and investments in capital of other entities at the balance sheet date in accordance with the guidance under the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the consolidated income statement

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the consolidated financial statements and deducted against the value of such investments.

3.13 *Payable and accrual*

Payable and accrual are recognised for amount to be paid in the future for goods and services received, whether or not billed to the Group.

3.14 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. The average monthly salary used in this calculation is revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases and decreases to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment;
- ▶ Capital contributions are recorded at the buying exchange rates of the commercial banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred during the year and arisen from the translation of monetary accounts denominated in foreign currency at year-end are taken to the consolidated income statement.

3.16 *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.

3.17 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to investors after approval by the Board of Management, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese 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:

Investment and development fund

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

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 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:

Long-term lease of land and infrastructure

Revenue is recognised when the Group has passed the significant risks and rewards associated with the land to the buyer and revenue can be reliably measured.

Sale of factories

Revenue is recognised when the Group has passed significant risks and rewards associated with the factories to the buyer and revenue can be reliably measured.

Lease of factories

Revenue under operating lease contract is recognised to income statement on a straight-line basis over the lease term.

Rendering of services

Revenue is recognised when service has been provided to the customer, and is determined by the net value after deducting discounts, value-added tax, and other deductions.

Income from transfer of investment in securities and capital assignment

Income is determined by the difference between the selling price and cost of the securities. Income is recorded on the contract date, which is when the contract become effective.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

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

3.19 Cost of leased land and infrastructure

Cost of leased land and infrastructure includes all direct costs that are attributable to the development of land and infrastructure or costs allocated on a reasonable basis to such activities including:

- ▶ All costs incurred for land and land development activities;
- ▶ All costs incurred for construction and construction related activities;
- ▶ Mandatory and non-saleable costs associated to development activities that would be incurred on existing and future land and infrastructure of the project such as common infrastructure, mandatory land reserve for public facilities, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 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 set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred 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; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

- ▶ where the deferred 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; and
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred 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 tax assets are re assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *Taxation* (continued)

Deferred tax (continued)

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority on:

- ▶ either the same taxable entity;
- ▶ or when the Group intends either settle current 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 tax liabilities or assets are expected to be settled or recovered.

3.21 *Segment information*

A segment is a component which can be separately identified in which the Group takes part in providing the sale of relevant goods or services (segment divided by business operation activities), or providing the sale of goods or services within a particular economic environment (segment divided by geographic regions), each of which is subject to risks and benefits and is different from other parts. Real estate trading activities in Vietnam territory is the major activity to generate the revenue and profit for the Group. Thus, the Group's management assesses that the Group operates in only one business segment which is real estate business segment and in one critical geographic region which is Vietnam.

3.23 *Convertible bonds*

Bonds that are convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability (a contractual arrangement to deliver cash or another financial assets) and equity instrument (a call option granting the holder the right, for a specified period of time) based on the terms of the contract. Convertible bonds that cannot be definitely determined amount of common stock may be converted are classified as financial liabilities.

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are allocated during the lifetime of the bond following straight line basis. At initial recognition, issuance costs are deducted from the liability component of the bond.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	42,255,128,629	7,736,091,541
Cash at banks	86,909,231,048	85,997,665,928
Cash equivalents (*)	99,000,000,000	55,371,333,333
TOTAL	<u>228,164,359,677</u>	<u>149,105,090,802</u>

(*) Cash equivalents at 31 December 2015 mainly include short-term deposits in VND at banks which earn interest from 5% to 5.2% per annum and have maturity term of 1 month.

Additional information regarding the cash flow statement:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Significant non-cash transactions that are excluded from the cash flow statement in the future:		
Conversion from debt to equity	1,200,000,000,000	1,000,000,000,000
Actual cash received from loans		
- Cash received from normal loan agreements	781,991,327,696	-
- Cash received from issuance of convertible bonds	300,000,000,000	900,000,000,000
Actual cash payment of loans		
- Cash payment for normal loan agreements	152,889,972,234	175,109,371,518
- Cash payment for principal of bonds	943,975,000,000	530,000,000,000

5. SHORT-TERM INVESTMENTS

	<i>Ending balance</i>			<i>Beginning balance</i>		
	<i>Cost</i>	<i>Fair value</i>	<i>Provision</i>	<i>Cost</i>	<i>Fair value</i>	<i>Provision</i>
Held-for-trading securities						
- Shares	7,490,461,369	1,738,191,200	(5,752,270,169)	7,490,461,369	2,497,416,000	(4,993,045,369)
TOTAL	<u>7,490,461,369</u>	<u>1,738,191,200</u>	<u>(5,752,270,169)</u>	<u>7,490,461,369</u>	<u>2,497,416,000</u>	<u>(4,993,045,369)</u>

(*) At 31 December 2015, the Company holds 312,177 shares of Tan Tao Investment and Industrial Joint Stock Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

6. RECEIVABLES

6.1 Short-term receivables

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Trade receivables from customers		
- Saigon Investment JSC (i)	104,130,000,000	104,130,000,000
- Kinh Bac Service JSC (ii)	96,913,466,665	104,352,647,918
- Hoang Hai Vietnam Packaging JSC (iii)	55,836,450,000	-
- LG Electronics Vietnam Hai Phong Co., Ltd. (iii)	50,705,322,986	304,291,678,680
- Heasung Electronics VietNam Co., Ltd.(iii)	23,271,469,200	-
- Heesung Electronics VietNam Co., Ltd.(iii)	47,942,393,094	-
- Others receivables (iii)	115,181,504,307	150,374,995,261
Trade receivables from related parties	-	-
TOTAL	493,980,606,252	663,149,321,859
Long-term		
Trade receivables from customers		
- Kinh Bac Service JSC	332,305,529,704	461,757,137,391
- Tai Ky Food JSC	-	3,608,451,000
TOTAL	332,305,529,704	465,365,588,391

- (i) This is the receivables from Saigon Investment JSC related to transfer of land at Phuc Ninh City Urban Area Project;
- (ii) This is receivables from Kinh Bac Service JSC related to revenue from long-term lease of land and infrastructure and from sale of factories in Que Vo II Industrial Zone, Trang Due Industrial Park and Quang Chau Industrial Park. The receivables related to revenue from long-term lease of land and infrastructure and from sale of factories in Que Vo II Industrial Park earn interest at 8% per annum; and
- (iii) This is receivables from other customers for long-term lease of land and infrastructure at the industrial parks of the Group.

6.2 Advances to suppliers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Advances to suppliers		
- Kinh Bac Investment and Consulting JSC (i)	1,114,372,843,381	1,130,088,304,645
- Kinh Bac Service JSC (ii)	117,302,270,000	117,302,270,000
- Land Clearance and Compensation Committee of Cu Chi District (iii)	23,975,623,424	24,353,697,733
- Foster and Partners Limited Company (iv)	25,961,600,000	25,961,600,000
- Trung Chinh Trading and Construction Limited Company (v)	4,018,661,359	-
- People's Council and People's Committee of An Duong District	11,302,688,835	13,302,688,835
- Other advance to suppliers	27,300,743,951	23,528,270,137
TOTAL	1,324,234,430,950	1,334,536,831,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

6. RECEIVABLES (continued)

6.2 Advances to suppliers (continued)

- (i) This is the advance to Kinh Bac Investment and Consulting JSC for the site clearance and compensation and for construction works of certain on-going projects of the Group.
- (ii) This is the advance to Kinh Bac Service JSC for site clearance and road construction – phase I of Quang Chau Project – Viet Yen – Bac Giang.
- (iii) This is the advance to Land Clearance and Compensation Committee of Cu Chi District for land clearance at Tan Phu Trung Project.
- (iv) This is the advance to Foster and Partners Limited Company for the design of Hoa Sen Hotel Project.
- (v) This is the advance to Trung Chinh Trading and Construction Limited Company for the construction of tunnel at Trang Cat Project.

6.3 Provision for trade receivables

Detail of movements of provision for trade receivables is as follows:

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Beginning balance	19,349,892,467	16,996,721,233
Provision made in the year	328,550,833	2,353,171,234
Reversal of provision for doubtful debts	(3,390,400,000)	-
Other decrease	(7,204,600,000)	-
Ending balance	<u>9,083,443,300</u>	<u>19,349,892,467</u>
<i>In which:</i>		
<i>Provision for short-term receivables</i>	<i>8,583,443,300</i>	<i>8,254,892,467</i>
<i>Provision for loan receivables</i>	<i>500,000,000</i>	<i>500,000,000</i>
<i>Provision for other receivables</i>	<i>-</i>	<i>10,595,000,000</i>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

7. OTHER LOAN RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance (Restated)</i>
Short-term		
- Saigon Manufacturing and Trading JSC	-	50,000,000,000
- Saigon Tourism JSC	500,000,000	500,000,000
- Saigon - Tay Ninh Industrial Park JSC (i)	300,000,000	300,000,000
- Other receivables	2,599,720,000	2,690,991,000
Other loan receivables from related parties (Note 29)	<u>9,100,000,000</u>	<u>9,300,000,000</u>
TOTAL	<u>12,499,720,000</u>	<u>62,790,991,000</u>
Long-term		
- Kinh Bac Investment and Consulting JSC	6,992,700,000	6,992,700,000
- Kinh Bac Service JSC (ii)	-	6,992,700,000
- Construction Project Management Unit of Bac Ninh City (Bac Ninh City People's Committee)	<u>700,000,000</u>	<u>700,000,000</u>
TOTAL	<u>7,692,700,000</u>	<u>14,685,400,000</u>

(i) This is an unsecured, interest free loan which will be due in less than 1 year.

(ii) These are unsecured, interest free loans which will be in June 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

8. OTHER RECEIVABLES

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance (Restated)</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Short-term				
Saigon Investment JSC (i)	583,000,000,000	-	583,000,000,000	-
Share transfer receivables (ii)	672,730,000,000	-	-	-
Receivables from Kinh Bac Investment and Consulting JSC (iii)	151,146,558,152	-	-	-
Late payment interest receivable (iv)	-	-	16,385,571,712	-
Other receivables from related parties (Note 29)	32,022,174,517	-	33,481,584,605	-
Receivables from Bac Ninh's People Committee (v)	19,440,000,000	-	19,440,000,000	-
Deposit receivables (vi)	12,851,128,404	-	12,851,128,404	-
Receivable from Van Duong's People Committee	2,228,672,000	-	2,228,672,000	-
Kum-Ba JSC (vii)	43,875,296,000	-	43,875,296,000	-
Ms. Trieu Thi Duyen	-	-	68,800,000,000	-
Advances to employees	17,918,475,834	-	12,813,369,445	-
Other receivables (viii)	4,735,153,600	-	14,270,174,570	10,595,000,000
TOTAL	1,539,947,458,507	-	807,145,796,736	10,595,000,000
Long-term				
Kinh Bac Services JSC (iv)	15,418,350,117	-	-	-
Other long-term receivables	209,000,000	-	355,000,000	-
TOTAL	15,627,350,117	-	355,000,000	-

- (i) This is the amount transferred to Saigon Investment JSC relating to the purchase of shares at Le Minh Xuan Industrial Zone. As at 31 December 2015, this transaction has not been completed.
- (ii) This is the receivable relating to the transfer of 48.3 million shares of Saigon-Binh Dinh Energy JSC to Kinh Bac Service JSC according to the Contracts dated 22 June 2015 and 15 December 2015.
- (iii) According to the minutes of General shareholders meeting dated 1 July 2015, SGI – Lao Hydropower JSC decided to dissolve and to return the contributed capital to the Company with the amount of VND 185,586,558,152. These receivables, however, were transferred to Kinh Bac Investment and Consulting JSC under three-party offsetting minutes on 3 July 2015. In 2016, the Company has received seventy billion VND from Kinh Bac Investment and Consulting JSC.
- (iv) This represents the interest receivable on deferred payment for long-term lease of land and sale of factories to Kinh Bac Service JSC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

8. OTHER RECEIVABLES (continued)

- (v) According to the minute of interdisciplinary meeting between the Finance Department of Bac Ninh province, the Department of Planning and Investment of Bac Ninh province, the Department of Natural Resources and Environment of Bac Ninh province, the Management Board of Industrial parks and KinhBac City Development Corporation dated 14 August 2007 and the Decision regarding support of investment capital for enterprises No. 1951/QD-UBND dated 31 December 2007, the People's Committee of Bac Ninh province committed to support on land rental rates for Que Vo Industrial Park project. Accordingly, the capital support available to the Company is VND19.44 billion which will be used for the construction of waste water treatment plant at Que Vo Industrial Park.
- (vi) This is the deposit to Hanoi Agriculture Investment and Development One member Co., Ltd in pursuant to the Contract No.128/2010/HĐ-HTKD dated 29 June 2010 to co-operate to develop a complex of trade center, office, luxury houses, ecotourism, villas, garden houses, apartment units at Minh Khai Commune, Tu Liem District, Ha Noi.
- (vii) This is the receivable from Kum-Ba JSC relating to the transfer of shares of Lang Ha Investment JSC.
- (viii) This represents the deposits in the previous years to purchase shares in Scanviwood Co., Ltd, (now known as Scanviwood JSC) with an amount of VND 7,204,600,000. In 2015, the Company has completed the legal documents for the transfer of ownership in this company, and accordingly, this deposit is reclassified as investment in Scanviwood JSC (Note 14.2).

9. INVENTORIES

Currency: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Trang Cat Industrial and Residential Park (i)	3,352,808,991,554	-	3,180,330,291,504	-
Tan Phu Trung Industrial Park (ii)	2,559,881,884,282	-	2,660,448,936,286	-
Phuc Ninh Urban Area	791,241,769,241	-	763,875,971,070	-
Quang Chau Industrial Park and Urban area	551,643,366,073	-	504,915,930,496	-
Trang Due Industrial Park – stage 1 (iii)	16,498,178,861	-	80,842,121,675	-
Trang Due II Industrial Park – stage 2	446,614,321,229	-	954,745,236	-
Nam Son – Hap Linh Industrial Park	206,869,480,433	-	194,505,863,659	-
Que Vo II Industrial Park	337,106,227,149	-	117,840,809,247	-
Que Vo I Industrial Park	64,211,681,110	-	74,814,613,682	-
Houses for low-income residents	23,897,163,067	-	23,897,163,067	-
Other projects	13,675,314,872	-	13,923,658,637	-
TOTAL	8,364,448,377,871	-	7,616,350,104,559	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

9. INVENTORIES (continued)

Work in progress of the Group as at 31 December 2015 comprises of compensation cost and infrastructure development cost, capitalized borrowing costs and allocated overheads which incurred for the development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh Urban Area, Nam Son - Hap Linh Industrial Park, Tan Phu Trung Industrial Park, Quang Chau Industrial Park, Trang Due Industrial Park, Trang Cat Urban and Service Zone, and other projects of the Group which are developed for sale. The majority of the Group's inventories are used as collaterals for long-term loans as disclosed in Note 19.

- (i) In accordance with Decision No. 1548/QĐ-UBND dated 17 September 2010, the People's Committee of Hai Phong City approved the detailed planning 1/2000 of the Trang Cat Urban and Service Zone Project ("Trang Cat Project") with the approved development area of 584.91 hectares, and the Company as the investor of the Project. Consequently, the Company has established Trang Cat Urban Development One-Member Limited Company ("Trang Cat Company") to directly manage, develop and complete this project. On 8 October 2012, Hai Phong People's Committee issued Decision No. 1679/QĐ-UBND to assign the land to Trang Cat Company for the development of Trang Cat Urban and Services Zone project in Trang Cat, Hai An District, with the total assigned land area of 581.93 ha.

Also relating to Trang Cat Project, in accordance with the Asset Pledge Agreement to guarantee for obligations of third party No. 0202/2013/HDTC-DN dated 22 February 2013 between Trang Cat Company and Western Commercial Joint Stock Bank ("Western Bank"), now merged with Vietnam Public Joint Stock Commercial Bank ("PVCombank"), Trang Cat Company has agreed to mortgage the following assets:

- ▶ Trang Cat Project;
- ▶ Property rights and economic benefits arising from the Decision on Land Assignment and the relevant documents, investments associated with the land use right in Trang Cat Project;
- ▶ All the asset rights, benefit rights arising from Trang Cat Project; and
- ▶ All the assets which will be formed in the future at Trang Cat Project.

to PVCombank to secure the obligations of the Group and other affiliates. In particular, the guaranteed obligations comprise:

- ▶ obligations of Saigon - Binh Thuan Power Investment and Development JSC ("Saigon - Binh Thuan Company") arising from the acquisition of an investment portfolio from PVCombank according to the transfer agreement dated 1 August 2012 between the Bank and Saigon - Binh Thuan Company;
- ▶ loans, trust investment and bonds due by the Company and its subsidiaries, associates (including the Saigon Telecommunication & Technologies Corporation - SGT) to PVCombank with a total value of VND 2,429 billion; and
- ▶ loans, trust investment and bonds due by other companies (including Saigon Construction JSC, Saigon Investment JSC, Saigon - Cantho Industrial Park Corporation, SGI Fund Management JSC, Saigon Construction JSC, NAVI Securities JSC and Asian Securities JSC) to PVCombank with a total value of VND 1,095 billion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

9. INVENTORIES (continued)

- (ii) Work in progress in Tan Phu Trung Industrial Park includes the fair value of the land area which have been cleared and granted with land assignment decision of Tan Phu Trung Industrial and Residential Park as developed by Northwest Saigon City Development Corporation, which have been revalued at the date the Group acquired and assumed control in this subsidiary.
- (iii) Work in progress in Trang Due Industrial Park – phase 1 includes the fair value of the land area which have been cleared and granted with land assignment decision of Trang Due Industrial Park as developed by Saigon - Hai Phong Industrial Park JSC, which have been revalued at the date the Group acquired and assumed control in this subsidiary.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

10. TANGIBLE FIXED ASSETS

	<i>Buildings and structures (including cost of land development and infrastructure)</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost:						
Beginning balance	170,814,699,429	32,273,266,388	32,813,108,309	4,948,281,944	894,109,090	241,743,465,160
- Newly purchased	1,230,632,364	358,980,161	12,555,915,992	1,600,545,000	-	15,746,073,517
- Transferred from construction in progress	10,922,905,031	-	483,262,727	2,820,227,573	-	14,226,395,331
- Sold, disposed	-	-	(476,068,818)	-	-	(476,068,818)
- Other reduction	(3,069,897,535)	-	-	-	-	(3,069,897,535)
Ending balance	179,898,339,289	32,632,246,549	45,376,218,210	9,369,054,517	894,109,090	268,169,967,655
<i>Fully depreciated</i>	<i>394,064,686</i>	<i>1,051,245,455</i>	<i>9,445,453,507</i>	<i>2,790,286,887</i>	<i>319,109,090</i>	<i>14,000,159,625</i>
Accumulated depreciation:						
Beginning balance	66,303,165,568	13,836,630,000	18,455,707,360	3,431,029,992	793,346,593	102,819,879,513
- Depreciation for the year	16,624,380,856	3,190,830,098	4,372,476,020	561,164,053	71,875,000	24,820,726,027
- Sold, disposed	-	-	(476,068,818)	-	-	(476,068,818)
Ending balance	82,927,546,423	17,027,460,098	22,352,114,562	3,992,194,045	865,221,593	127,164,536,721
Net carrying amount:						
Beginning balance	104,511,533,861	18,436,636,388	14,357,400,949	1,517,251,952	100,762,497	138,923,585,647
Ending balance	96,970,792,866	15,604,786,451	23,024,103,648	5,376,860,472	28,887,497	141,005,430,934

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

11. INVESTMENT PROPERTIES

Currency: VND

*Factories (including cost
of land development and
infrastructure)*

Cost:

Beginning balance	27,405,394,467
- Increase in year	44,784,398,876
- Decreases in year (*)	<u>(44,784,398,876)</u>
Ending balance	<u>27,405,394,467</u>

Depreciation:

Beginning balance	5,223,323,362
- Increase in year	3,540,728,634
- Decreases in year (*)	<u>(1,773,841,629)</u>
Ending balance	<u>6,990,210,367</u>

Net carrying amount

Beginning balance	<u>22,182,071,105</u>
Ending balance	<u>20,415,184,100</u>

(*) In 2015, the Company has sold factories to Saigon Service JSC according to Contract No 199/HDCNTS - QVMR/2015 dated 10 December 2015.

As at 31 December 2015, the Group has not determined the fair value of these investment properties because there is no available market for these properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

12. CONSTRUCTION IN PROGRESS

Construction in progress includes:

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Lotus Hotel Project (i)	119,161,983,744	119,161,983,744
Hanoi Diplomat Area (ii)	106,555,116,818	106,555,116,818
Que Vo II Industrial Park (iii)	-	1,994,980,499
Que Vo I Industrial Park	4,592,921,893	4,892,811,683
Bac Giang Thermal Power Plant	3,116,503,893	3,116,503,893
Factories at Quang Chau Industrial Park	1,314,135,200	786,976,364
Other construction in progress	160,000,000	160,000,000
TOTAL	<u>234,900,661,548</u>	<u>236,668,373,001</u>

- (i) In accordance with the Decision No. 413/QD-UBND dated 22 January 2010, the Company was approved as the investor of Hanoi Lotus Hotel Project which will be constructed in a land area of around 40,484m². Total costs incurred include the support fee of USD5.5 million to Hanoi's People Committee, design and consultancy fee paid to foreign contractors and other overhead costs.
- (ii) Under the contract for transfer of infrastructure works No. 2592/2009/HANCORP-KBC dated 5 October 2009, Hanoi Construction Corporation has transferred the existing infrastructure works to the Company for further development of a office, representative offices for international agencies complex at Hanoi Diplomatic Area.
- (iii) Properties to be formed in the future and other rights arising from Que Vo II Industrial Park are used as collateral and guarantee for the loans with the banks.

13. CAPITALIZED BORROWING COSTS

During the year, the Group has capitalized borrowing costs amounting to VND215.9 billion. These costs relate to borrowings taken to finance the construction of Que Vo II Industrial Park, Phuc Ninh Urban area, Quang Chau Industrial Park, Tan Phu Trung Industrial Park, Trang Due Industrial Park, and other development projects of the Group.

14. LONG-TERM INVESTMENTS

		<i>Currency: VND</i>	
	<i>Note</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Investment in associates	14.1	462,788,335,881	445,993,554,433
Other long-term investments	14.2	452,867,200,000	1,141,492,700,000
Provision for long-term investments		<u>(23,052,816,635)</u>	<u>(69,694,654,853)</u>
TOTAL		<u>892,602,719,246</u>	<u>1,517,791,599,580</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

14. LONG-TERM INVESTMENT (continued)

14.1 Investment in associates

Currency: VND

	Note	% of voting right	Ending balance		Beginning balance	
			Number of shares	Amount VND	Number of shares	Amount VND
Saigon – Hue Investment JSC	(i)	28.14%	9,849,000	210,115,300,777	9,849,000	210,529,264,240
Saigon Telecommunication & Technologies JSC	(ii)	21.48%	15,896,923	163,264,402,974	15,896,923	152,984,724,489
Saigon High-tech Park Infrastructure Development Investment JSC	(iii)	27.44%	8,233,083	82,468,701,980	8,233,083	82,479,565,704
Scanviwood JSC	(iv)	34%	1,077,528	6,939,930,150	-	-
TOTAL				462,788,335,881		445,993,554,433

(i) Saigon – Hue Investment JSC

Saigon – Hue Investment JSC was established in pursuant to the Business Registration Certificate No. 3103000255 issued by the Department of Planning and Investment of Thua Thien – Hue province on 9 October 2007 and the first amended Business Registration Certificate on 16 February 2012 with a registered charter capital of VND350 billion. Its principal activities includes investment, construction and trading on infrastructure inside and outside industrial zone, residential areas, resettlement area, housing for worker; industrial and civil construction works, transport and power projects up to 35kV.

Its registered office is located at No.15, Nguyen Hue Street, Hue City, Viet Nam.

(ii) Saigon Telecommunication & Technologies JSC

Saigon Telecommunication & Technologies JSC was established in pursuant to the Business Registration Certificate No. 4103000992 issued by the Department of Planning and Investment of Ho Chi Minh city on 14 May 2002 and the amended subsequent licenses, with the latest is the 13th amended Business Registration Certificate dated 11 August 2014, with a registered charter capital of VND740 billion. Its principal activities include trading computer, electronic equipment, materials, telecommunication and post equipment; trading and installation of transmission equipment, connection, security equipment for communication; information technology consulting; designing and installation of computer system; constructing industrial park, residential area, traffic, bridge and road, irrigation.

Its registered office is located at 46 Quang Trung Software Park, Ward Tan Chanh Hiep, District 12, Ho Chi Minh City.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

14. LONG-TERM INVESTMENTS (continued)

14.1 Investment in associates (continued)

(iii) Saigon High-tech Park Infrastructure Development Investment Joint Stock Company

Saigon High-tech Park Infrastructure Development Investment Joint Stock Company was established in pursuant to the Business Registration Certificate No. 4103006017 issued by the Department of Planning and Investment of Ho Chi Minh City on 31 January 2007 and the first amended Business Registration Certificate dated 2 July 2009 with a registered charter capital of VND300 billion. Its principal activities include infrastructure investment and development; leasing and selling office, trading centre and apartment buildings; consignment and trading agent; civil and industrial construction; development of road and drainage system; investment, management and construction consulting; brokerage; providing custom declaration services; restaurant, hotel, resort, travel businesses.

Its registered office is located at 6-1, Ree Building, 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City.

(iv) Scanviwood Joint Stock Company

Scanviwood Joint Stock Company was established in pursuant to the Business Registration Certificate No. 411031000006 by the Department of Planning and Investment of Ho Chi Minh City on 10 June 2015 with a registered capital of VND31.69 million. Its principal activities include manufacturing of household products for export.

The Company has completed the purchase of 34% equity interest in this company in June 2015.

Its registered office is located at 565 An Duong Vuong, An Lac ward, Binh Thanh district, Ho Chi Minh City, Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

14. LONG-TERM INVESTMENTS (continued)

14.1 Investment in associates (continued)

Investments in associates as at 31 December 2015 are as below:

	Saigon Telecommunication & Technologies JSC	Saigon – Hue Investment JSC	Saigon High-tech Park Infrastructure Development Investment JSC	Scanviwood JSC	Total
Cost of Investment:					
Beginning balance	423,492,661,074	210,627,000,000	82,330,830,000	-	716,450,491,074
- Increase	-	-	-	7,204,600,000	7,204,600,000
Ending balance	423,492,661,074	210,627,000,000	82,330,830,000	7,204,600,000	723,655,091,074
Accumulated share in post-acquisition profit/(loss) of the associates					
Beginning balance	(110,280,210,199)	(97,735,760)	148,735,705	-	(110,229,210,255)
Share in post-acquisition profit/(loss) of the associates for the year	10,279,678,484	(413,963,463)	(10,863,725)	(264,669,848)	9,590,181,448
Ending balance	(100,000,531,715)	(511,699,223)	137,871,980	(264,669,848)	(100,639,028,806)
Amortization goodwill:					
Beginning balance	160,227,726,386	-	-	-	160,227,726,386
Ending balance	160,227,726,386	-	-	-	160,227,726,386
Net carrying amount:					
Beginning balance	152,984,724,489	210,529,264,240	82,479,565,704	-	445,993,554,433
Ending balance	163,264,402,973	210,115,300,777	82,468,701,980	6,939,930,152	462,788,335,881

Currency: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

14. LONG-TERM INVESTMENTS (continued)

14.2 Other long-term investment

Currency: VND

	31 December 2015			31 December 2014		
	% of voting right	Number of shares	Book value	% of voting right	Number of shares	Book value
Saigon - Binh Dinh Power JSC (i)	-	-	-	4.83	48,300,000	483,000,000,000
Saigon - Quy Nhon Mineral JSC	5.75	6,900,000	339,000,000,000	5.75	6,900,000	339,000,000,000
Saigon - Da Nang Investment JSC	19.5	3,900,000	39,000,000,000	19.5	3,900,000	39,000,000,000
VTC-Saigontel Media JSC	19.19	3,070,020	30,700,200,000	19.19	3,070,020	30,700,200,000
Saigon-Binh Phuoc Industrial Park JSC	10.56	190,000	19,000,000,000	10.56	190,000	19,000,000,000
Saigon - NhonHoi Industrial Park JSC	-	-	-	19	950,000	11,352,500,000
Saigon - Hamtan Tourism JSC (iii)	1.63	70,000	7,000,000,000	6.48	70,000	7,000,000,000
Ban Viet Capital Fund Management JSC (iv)	3	44	4,367,000,000	3	86.4	8,640,000,000
Saigon - Binh Thuan Investment Development Power Plant JSC	0.35	350,000	3,500,000,000	0.35	350,000	3,500,000,000
Saigon - Long An Industrial Park JSC	0.15	30,000	300,000,000	0.15	30,000	300,000,000
TOTAL			452,867,200,000			1,141,492,700,000
Provision for long-term investments			(23,052,816,635)			(69,694,654,853)
NET CARRYING VALUE			429,814,383,365			1,071,798,045,147

- (i) In 2015, the Company has transferred all of its shares in Saigon - Binh Dinh Energy JSC to Kinh Bac Service JSC.
- (ii) As disclosed in Note 8, according to the minutes of the General shareholders meeting of SGI – Lao Hydro Power JSC dated 1 July 2015, SGI – Lao Hydro Power JSC has decided to dissolve and return the contributed capital to the Company with an amount of VND 185,586,558,152.
- (iii) On 24 April 2015, Saigon – Ham Tan Tourism JSC has increased its share capital to VND 430 billion, the Company has not participated in this new share issue and thus, its actual ownership interest in this company has decreased to 1.63%.
- (iv) According to the Announcement No.1815/UBCK – QLQ dated 15 April 2015, State Security Commission of Vietnam has confirmed the decrease in the charter capital of Ban Viet Health Securities Investment Fund (VCHF) from VND287.984 billion to VND145.541 billion. As at 31 December 2015, the Company has contributed VND4.367 billion to this fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

15. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

15.1 Short-term trade payables

Currency: VND

	Beginning balance		Ending balance	
	Amount	Amount payable	Amount	Amount payable
Trade payables to suppliers				
- Truong Phat investment JSC	9,559,539,000	9,559,539,000	14,652,077,895	14,652,077,895
- Trong Cuong Limited Company	2,929,856,895	2,929,856,895	2,537,411,718	2,537,411,718
- BlueScope Buildings Vietnam Limited Company	4,365,000,000	4,365,000,000	6,231,295,300	6,231,295,300
- Hanoi Construction No. 1 JSC.	2,317,260,652	2,317,260,652	3,749,876,087	3,749,876,087
- Thanh Tien Commerce and Transportation Limited Company	10,418,885,000	10,418,885,000	-	-
- An Phat Construction and Trading Limited Company	3,830,196,750	3,830,196,750	-	-
- Others	43,481,668,345	43,481,668,345	28,488,499,830	28,488,499,830
Payable to related parties (Note 29)	90,860,000	90,860,000	17,160,000	17,160,000
TOTAL	76,993,266,642	76,993,266,642	55,676,320,830	55,676,320,830

15.2 Short-term advances from customers

Currency: VND

	Ending balance	Beginning balance
Deposit for purchase of houses and land use rights at Phuc Ninh urban project	195,253,258,200	196,210,907,200
Deposit by National Citizen Bank (previously known as Nam Viet Commercial Joint Stock Bank) for purchase of houses and land use rights at Phuc Ninh urban project	57,394,622,400	66,582,840,000
Deposit for purchase of houses and land use rights at Quang Chau urban project	54,192,897,792	57,394,622,400
Prepayment for land rental at Tan Phu Trung industrial parks	66,582,840,000	80,261,675,865
Prepayment for land rental at Trang Due industrial parks	17,885,190,217	5,407,028,918
Electricity Sector 1 JSC (*)	22,500,000,000	-
Other advances from customers	12,108,413,259	3,001,365,109
TOTAL	425,917,221,868	408,858,439,492

(*) This is the advance from the Electricity Sector 1 JSC to acquire 22kV power system in Que Vo Industrial Park under the Transfer agreement dated 10 November 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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16. STATUTORY OBLIGATIONS

Currency: VND

	<i>Beginning balance (Restated)</i>	<i>Payable for the year</i>	<i>Payment/off-set in the year</i>	<i>Ending balance</i>
Payables				
Value added tax	73,501,280,142	78,443,731,028	(104,545,160,262)	47,399,850,908
Corporate income tax (Note 28.2)	-	106,748,848,199	(7,694,466,483)	99,054,381,716
Personal income tax	308,393,438	3,050,409,011	(2,822,058,582)	536,743,867
Other taxes (*)	28,859,757,510	734,267,468	(797,475,695)	28,796,549,283
TOTAL	102,669,431,090	188,977,255,706	(115,859,161,022)	175,787,525,774
Receivables				
Corporate income tax (Note 28.2)	45,092,138,252	(7,132,663,892)	-	37,959,474,360
TOTAL	45,092,138,252	(7,132,663,892)	-	37,959,474,360

(*) Included in statutory obligations is the accrual for land lease of Northwest Saigon City Development Corporation ("SCD") for Tan Phu Trung Industrial Zone Project with an amount of VND28.4 billion. SCD is currently in the process of working with the relevant government agencies to determine the land lease obligations to the State (see also Note 31).

17. ACCRUED EXPENSES

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance (Restated)</i>
Short-term		
Accrued future development cost for recognised sales	794,666,742,075	617,851,226,038
- Que Vo I Industrial Park	30,949,674,086	38,715,957,304
- Que Vo II Industrial Park	158,932,801,994	140,748,043,682
- Trang Due Industrial Park	171,522,886,783	81,503,597,814
- Quang Chau Industrial Park	164,052,834,286	158,371,537,693
- Tan Phu Trung Industrial Park	269,208,544,926	198,512,089,545
Accrued interest expenses	188,756,576,921	154,316,717,555
Bond issue costs	-	13,950,000,000
Accrued interest expenses to related parties (Note 29)	370,691,739	235,894,743
Other accrued expenses	39,493,704,297	9,189,726,831
TOTAL	1,023,287,715,032	795,543,565,167
Long-term		
Accrued interest expenses (*)	757,092,452,968	628,089,032,022
TOTAL	757,092,452,968	628,089,032,022

(*) Mostly include the bond interest expenses payable to PVCombank. PVCombank has issued an amendment to revise the payment terms for the bond principal and the bond interest. Accordingly, these bond interests will be due in 2017 and 2019 (Note 19.2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

18. OTHER PAYABLES

	Currency: VND	
	Ending balance	Beginning balance (Restated)
Short-term		
Kinh Bac Investment and Consulting JSC	5,000,000,000	82,570,642,264
Kinh Bac Service JSC (i)	-	38,000,000,000
Saigon Investment JSC	-	70,000,000,000
Other payables	25,319,777,921	13,652,090,198
TOTAL	30,319,777,921	204,222,732,462
Long-term		
Cholimex Mechatronics Informatics JSC (ii)	55,500,000,000	55,500,000,000
Other deposits	3,772,399,555	6,570,305,020
TOTAL	59,272,399,555	62,070,305,020

- (i) This represents the deposit for land rental at Trang Due Industrial Park according to contract No. 03/HĐNX/KD-2009 signed between Saigon – Hai Phong Industrial Park JSC and Kinh Bac Service JSC.
- (ii) In 2014, the Group received VND 55.5 billion from Cholimex Mechatronics Informatics JSC for the development of Phuc Ninh Urban Project in accordance with the Business Cooperation Agreement No. 1004/HĐHTKD-KBC/2014 dated 10 April 2014.

19. LOANS

	Currency: VND	
	Ending balance	Beginning balance (Restated)
Short-term		
Loans from banks	-	-
Loans from others (*)	32,868,697,019	32,868,697,019
Current portion of long term loans	1,058,502,212,972	870,122,253,601
Short-term loans from related parties (Note 29)	113,830,830,000	113,830,830,000
TOTAL	1,205,201,739,991	1,016,821,780,620
Long-term		
Loans from banks (Note 19.1)	880,870,589,180	554,781,596,475
Loans from related parties (Note 29)	3,849,163,882	-
Bonds (Note 19.2)	1,525,318,602,000	2,464,952,580,171
TOTAL	2,410,038,355,062	3,019,734,176,646
<i>In which:</i>		
Current portion of long-term loans and debts	1,058,502,212,972	870,122,253,601
Long-term loans and debts	1,351,536,142,090	2,149,611,923,045

- (*) These include unsecured, interest free loans from Saigon Investment JSC and Kinh Bac Service JSC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

19. LOANS (continued)

19.1 Long-term loans from banks

As at 31 December 2015, details of long term loans from bank are as follows:

Banks	Ending balance	Original amount (USD)	Interest rate	Principal and interest payment term	Description of collateral
Vietnam Bank for Industry and Trade -Que Vo Industrial Park branch	421,400,000,000	-	11%/year	Principal payment on 6 February 2020. Interest payment on last 25 th per quarter	Infrastructure and other assets which will be formed in the future at Trang Due II Industrial Park with a land area of 214,02 ha. All proceeds, dividends, advantage, asset right arising from sale of land, infrastructure, land use rights and asset attached with the land.
	27,984,180,300	-	10.5%/year	Principal payment in every 6-month, from 25 July 2016, interest payment on the last 25 th each quarter	Factory no. L at Que Vo Industrial Park and all assets attached with the land which will be formed in the future and asset rights arising from business contracts
National Citizen Bank (previously known as Nam Viet Commercial Joint Stock Bank) – Hanoi branch	5,690,091,466	253,456.19	5.6%/year	Interest payment every month. Principal payment every quarter. Maturity date is 6 January 2019.	Assets formed from the loan proceed which is the waste water treatment plant at at Quang Chau Industrial Park.
Vietnam Public Bank	320,000,000,000	-	9.2%/year	31 December 2017	Assets formed in the future on 120 ha of land at Quang Chau Industrial Park
National Citizen Bank (previously known as Nam Viet Commercial Joint Stock Bank)	105,796,317,414	-	11%/year- Adjustment twice a year	Principal payment every 6-month, and in 5 instalments from 1 August 2016	Value of land use right No B1, B2, B4, B5, B6 at Tan Phu Trung Industrial Park
TOTAL	880,870,589,180				
<i>In which:</i>					
Current portion of long-term loans	38,502,212,972				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

19. LOANS

19.2 Bonds

As at 31 December 2015, bonds issued by the Group are as follows:

Bond	Type of bond	Number of bonds	Par value VND	Amount (VND)	Interest rate per annum	Duration	Collaterals
KBC Bond 001	Secured corporate bond issued to Vietnam Joint Stock Commercial Bank for Industry and Trade Guarantee fee for issuing KBC Bond 001	2,700,000	100,000	270,000,000,000 (706,398,000)	10.125%	8 May 2017	All assets which the Company have invested and will invest in the future on the 300 ha of land of Que Vo II Industrial Park and 45 ha of land at Phuc Ninh Residential Area.
KBC Bond 004	Corporate bond issued to PVcombank	4,000,000	100,000	400,000,000,000	9.2%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project
KBC Bond 005	Secured corporate bond issued to Vietnam Investment and Development Bank	3,500,000	100,000	350,000,000,000	9.63%	28 December 2017	12.63 million SGT shares and 16.75 million KBC shares owned by Mr. Dang Thanh Tam and asset to be formed in the future at Quang Chau IZ
KBC Bond 006	Corporate bond issued to PVcombank	500,000	100,000	50,000,000,000	9.2%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project
KBC Bond 007	Corporate bond issued to PVcombank	3,000,000	100,000	300,000,000,000	9.2%	31 October 2019	Inventories of Trang Cat Urban and Service Zone Project
002/2009/TPSCD 01/HDMB	Secured corporate bond issued to National Citizen Bank	417,490	100,000	41,749,000,000	12.50%	18 December 2019	Land use right for area B1,B2,B4,B5,B6 under Mortgage Agreement No.570/14/HDTC-BDS/101-11 dated on 31 December 2014
003/2009/TPSCD 01/HDMB	Secured corporate bond issued to National Citizen Bank	1,142,760	100,000	114,276,000,000	12.50%	18 December 2019	Land use right for area B1, B2, B4, B5, B6 under Mortgage Agreement No.570/14/HDTC-BDS/101-11 dated on 31 December 2014
TOTAL		15,260,250		1,525,318,602,000			

In which:

Bonds due in the next 12 months
1,020,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

20. CONVERTIBLE BONDS

Currency: VND

	<i>Movement in the year</i>				
	<i>Beginning balance</i>	<i>New issuance</i>	<i>Transferred to capital (*)</i>	<i>Due and not transferred to share capitals</i>	<i>Ending balance</i>
Convertible bond	886,050,000,000	291,411,000,000	1,177,461,000,000	-	-

(*) The value of convertible bonds is recorded at the original cost of bond after deducting the cost of bond issuance.

On 23 December 2014, the Company issued a plan to raise 1,200 convertible bonds in VND, with total par value of VND1,200 billion. Up to 31 December 2014, the Company successfully issued 900 convertible bonds with total amount of VND900 billion. On 14 January 2015, the Company has completed the issue of another VND 300 billion convertible-bond, and have, therefore, completed the issue of VND1,200 billion convertible bonds. These bonds are unsecured, bearing interest at a fixed rate of 8% per annum with payment term of 3 years.

In accordance with conditions and terms of convertible bonds issued by the Company, the bondholders are allowed to convert these bonds into ordinary shares in 05 (five) lots, at stipulated conversion date as follows:

- ▶ 1st lot: 1 month after issuance date;
- ▶ 2nd lot: 6 months after issuance date;
- ▶ 3rd lot: 12 months after issuance date;
- ▶ 4th lot: 24 months after issuance date; and
- ▶ 5th lot: 36 months after issuance date.

The number of bonds eligible for conversion in each lot is at the discretion of bondholders. Ordinary shares issued on the 1st and 2nd conversion lot will be restricted from trading within 1 year from issuance date. From the 3rd lot, ordinary shares issued are freely traded after the conversion and listing.

Since the number of shares to be converted is not fixed (depending on the market value of the shares at the time of conversion), the management has recorded the entire proceeds from the issuance of convertible bonds as liabilities, rather than bifurcating between the debt component and the equity component on the balance sheet at the time of issuance.

In January 2015, bondholders have decided to convert the above bonds into shares of the Company. Accordingly, VND 1,200 billion convertible bonds have been converted into 80 million shares, at the conversion price of VND 15,000 per share. This conversion has increased the Company's share capital by an additional VND 800 billion (80,000,000 shares at the par value of VND 10,000 per share).

KinhBac City Development Holding Corporation

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

	Contributed charter capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interest	Total
Currency: VND							
Previous year							
Beginning balance	2,957,111,670,000	611,603,430,000	(364,466,650,000)	2,223,693,823	844,008,284,354	864,294,659,709	4,914,775,087,886
- Increase in capital	1,000,000,000,000	-	-	-	-	35,333,255,565	1,035,333,255,565
- Decrease during the year	-	-	-	-	-	(5,595,945,604)	(5,595,945,604)
- Net profit/(loss) for the year	-	-	-	-	325,617,229,507	(13,648,094,868)	311,969,134,639
Ending balance	<u>3,957,111,670,000</u>	<u>611,603,430,000</u>	<u>(364,466,650,000)</u>	<u>2,223,693,823</u>	<u>1,169,625,513,861</u>	<u>880,383,874,802</u>	<u>6,256,481,532,486</u>
Current year							
Beginning balance	3,957,111,670,000	611,603,430,000	(364,466,650,000)	2,223,693,823	1,169,625,513,861	880,383,874,802	6,256,481,532,486
- Increase in capital (*)	800,000,000,000	377,461,000,000	-	-	-	-	1,177,461,000,000
- Net profit/(loss) for the year	-	-	-	-	611,910,605,619	(9,848,150,262)	602,062,455,357
Ending balance	<u>4,757,111,670,000</u>	<u>989,064,430,000</u>	<u>(364,466,650,000)</u>	<u>2,223,693,823</u>	<u>1,781,536,119,480</u>	<u>870,535,724,540</u>	<u>8,036,004,987,843</u>

(*) See Note 20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

21. OWNERS' EQUITY (continued)

21.2 Shares

	Ending balance			Beginning balance		
	Total	Ordinary shares	Preference shares	Ordinary shares	Preference shares	Total
Contributed by shareholder	4,757,111,670,000	4,757,111,670,000	-	3,957,111,670,000	3,957,111,670,000	-
Share premium	989,064,430,000	989,064,430,000	-	611,603,430,000	611,603,430,000	-
Treasury share	(364,466,650,000)	(364,466,650,000)	-	(364,466,650,000)	(364,466,650,000)	-
TOTAL	5,381,709,450,000	5,381,709,450,000	-	4,204,248,450,000	4,204,248,450,000	-

21.3 Capital transactions with owners and distribution of dividends, profits

	Currency: VND	
	Current year	Previous year
Contributed capital		
Beginning balance	3,957,111,670,000	2,957,111,670,000
Increase	800,000,000,000	1,000,000,000,000
Decrease	-	-
Ending balance	<u>4,757,111,670,000</u>	<u>3,957,111,670,000</u>
Dividends/profit paid	-	-

21.4 Dividends

According to the Resolution of the Annual Shareholders Meeting 2015 No.2704/2015/KBC/NQ-ĐHĐCĐ dated 27 April 2015, the Company will proceed to pay dividends at the rate of 4% of the total shares in circulation of the Company (being 469,760,189 shares), with the value of the stock dividend of VND 187,904,070,000, equivalent to 18,790,407 shares. The Company will use the undistributed net profits after tax attributable to the shareholders of the parent company as reported in the 2014 financial statements to issue new shares. However, the issue of such stock dividends has not been completed as at the date of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

21. OWNERS' EQUITY (continued)

21.5 Shares

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Shares</i>	<i>In VND</i>	<i>Shares</i>	<i>In VND</i>
Issued shares	475,711,167	4,757,111,670,000	395,711,167	3,957,111,670,000
Issued and paid-up shares	475,711,167	4,757,111,670,000	395,711,167	3,957,111,670,000
<i>Ordinary shares</i>	475,711,167	4,757,111,670,000	395,711,167	3,957,111,670,000
<i>Preferred shares</i>	-	-	-	-
Treasury shares	5,950,978	59,509,780,000	5,950,978	59,509,780,000
<i>Ordinary shares</i>	5,950,978	59,509,780,000	5,950,978	59,509,780,000
<i>Preferred shares</i>	-	-	-	-
Shares in circulation	469,760,189	4,697,601,890,000	389,760,189	3,897,601,890,000
<i>Ordinary shares</i>	469,760,189	4,697,601,890,000	389,760,189	3,897,601,890,000
<i>Preference shares</i>	-	-	-	-

Par value of outstanding share: VND10,000/share (2014: VND10,000/share).

22. NON-CONTROLLING INTEREST

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	880,383,874,802	864,294,659,709
Loss attributable to non-controlling interest	(9,848,150,262)	(13,648,094,868)
Other increase	-	35,333,255,565
Other reduction	-	(5,595,945,604)
Closing balance	870,535,724,540	880,383,874,802

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

23. REVENUE

23.1 Revenue from sales of goods and rendering of services

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Gross revenue	1,434,851,916,992	1,069,035,499,895
In which:		
Revenue from lease of land and infrastructures (*)	1,129,432,395,238	742,899,998,400
Revenue from sale of factories	224,685,952,000	229,531,415,000
Revenue from warehouse, building and office lease	8,145,578,316	35,609,277,548
Revenue from supply of clean water, electricity, management service, waste water treatment supply	72,587,991,438	60,994,808,947
Less		
Sales returns	-	-
Net revenue	<u>1,434,851,916,992</u>	<u>1,069,035,499,895</u>
Of which:		
Sales to others	1,434,851,916,992	1,069,035,499,895
Sales to related parties (Note 29)	-	-

- (*) During the year, the Group has recorded revenue from long-term lease of land with infrastructure in the industrial parks in the consolidated income statement when the land is handed-over to the customers, which is based on the assessment that significant risks and rewards associated with ownership of the land were transferred to tenants. If revenue from the lease of land with infrastructure is allocated over the lease term, the impacts to revenue, cost of goods sold and services rendered and profit before and after corporate income tax of the Group are as follows:

	<i>Currency: VND</i>	
	<i>Revenue recognized in full at the handover date</i>	<i>Revenue is amortized over the lease term</i>
Revenue	1,434,851,916,992	311,105,120,914
In which:		
Revenue from lease of land and infrastructures	1,129,432,395,238	16,740,316,670
Cost of goods sold and services rendered	<u>(861,405,092,161)</u>	<u>(143,570,942,373)</u>
Gross profit of goods sold and services rendered	<u>573,446,824,831</u>	<u>167,534,178,541</u>
Profit before tax	729,975,128,923	318,158,614,691
Current corporate income tax expenses	(113,881,512,091)	(73,527,358,122)
Deferred tax expenses	<u>(14,031,161,477)</u>	<u>(57,906,684,180)</u>
Profit after tax	<u>602,062,455,355</u>	<u>186,724,572,389</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

23. REVENUE (continued)

23.2 Finance income

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Gain on transfer of financial investments (*)	289,800,000,000	113,309,014,365
Interest income on outstanding receivables from sale of land and factories (**)	19,632,630,216	19,340,455,246
Reversal of provision for investments	-	6,039,056,854
Interest income from deposits	4,966,692,965	3,976,830,403
Gains from securities trading and financial investment activities	1,727,440,000	1,139,594,814
Unrealised foreign exchange gains	583,508,308	-
Realised foreign exchange gains	413,204,123	-
Other financial income	-	89,885,648
TOTAL	<u>317,123,475,612</u>	<u>143,894,837,330</u>

(*) This is profit from the transfer of shares in Saigon - Binh Dinh Power JSC during the year (Note 14.2).

(**) This mostly comprised of the interest on receivable from Kinh Bac Service JSC under the contracts for lease of land and sale of factories.

24. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost leased land and infrastructures	717,315,725,177	358,145,331,155
Cost of factories sold	98,262,928,829	80,651,675,087
Cost of leased warehouses, factories and offices	3,743,646,240	10,483,800,514
Others	42,082,791,915	32,085,358,514
TOTAL	<u>861,405,092,161</u>	<u>481,366,165,270</u>

Included in costs of long-term lease of land and infrastructure are the following accruals:

	<i>Currency: VND</i>			
	<u><i>Current year</i></u>		<u><i>Previous year</i></u>	
	<i>Costs of sales</i>	<i>Accrued amount</i>	<i>Costs of sales</i>	<i>Accrued amount</i>
Long-term lease of land and infrastructure	<u>717,315,725,177</u>	<u>207,735,700,012</u>	<u>358,145,331,155</u>	<u>68,652,585,326</u>
TOTAL	<u>717,315,725,177</u>	<u>207,735,700,012</u>	<u>358,145,331,155</u>	<u>68,652,585,326</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

25. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	81,019,115,336	238,484,787,126
Reversal of provision for investments	(56,477,613,417)	-
Loss from reduction of ownership in subsidiary	-	35,333,255,565
Bond issue and guarantee cost	7,192,908,455	13,188,230,848
Loss from disposal of investments	6,265,941,848	-
Interest expenses incurred from the deposits to purchases land at Phuc Ninh Urban Area	1,775,655,000	975,751,170
Realized foreign exchange losses	1,449,612,884	468,978,172
Unrealized foreign exchange losses	-	3,588,622,690
Others	145,250,725	111,335,842
TOTAL	<u>41,370,870,831</u>	<u>292,150,961,413</u>

26. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
General and administrative expenses		
Depreciation	9,616,128,501	5,264,591,290
Labour costs	51,803,476,748	46,450,330,273
External services	15,749,086,481	13,643,617,858
Reversal provision for receivables	-	709,856,501
Other	15,830,310,447	14,577,539,509
TOTAL	<u>92,999,002,177</u>	<u>80,645,935,431</u>
Selling expenses		
Purchases of Company's logo	14,901,600,000	-
Consultant and promotion expenses	14,583,723,422	12,505,574,772
Labour costs	2,094,587,118	3,180,727,421
Other	3,307,894,383	2,001,930,882
TOTAL	<u>34,887,804,923</u>	<u>17,688,233,075</u>

27. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year (Restated)</i>
Land, infrastructure, building development and services rendering expenses	808,565,588,781	459,304,944,710
Labour costs	55,601,580,371	44,706,149,257
Depreciation of fixed assets, amortisation of goodwill and allocation of prepaid expenses	28,361,454,661	32,881,714,180
Expenses for external services	77,690,914,988	30,825,525,706
Other expenses	19,072,360,461	11,981,999,923
TOTAL	<u>989,291,899,262</u>	<u>579,700,333,776</u>

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28. CORPORATE INCOME TAX

The corporate income tax ("CIT") rate applicable to the Company and its subsidiaries is 22% of profit after tax for the year ended 31 December 2015, except for the followings:

- ▶ For the operating activities at Que Vo I Industrial Park, the Company is obliged to pay Corporate Income Tax ("CIT") with an applicable rate of 10% for the first 15 years of operation and of 25% for the following years. The Company is entitled to an exemption from CIT for the four years from 2005 to 2008, and a 50% reduction of the applicable CIT rate for the following nine years until 2017. The statutory CIT rate applicable for the year ended 31 December 2015 is 10% with a 50% reduction.
- ▶ For the operating activities at the Que Vo II Industrial Park, the Company is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The Company is entitled to an exemption from CIT for the three years from 2008 to 2010, and a 50% reduction of the applicable CIT rate for the following seven years from 2011 to 2017. The statutory CIT rate applicable for the year ended 31 December 2015 is 10% with a 50% reduction.
- ▶ For the operating activities at Quang Chau Industrial Park, Saigon-Bacgiang Industrial Park JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for four years from 2008 to 2011, and a 50% reduction of the applicable CIT rate for the following nine years. The statutory CIT rate applicable for the year ended 31 December 2015 is 10% with a 50% reduction.
- ▶ For the operating activities at Trang Due Industrial Park – phase 1, Saigon – Hai Phong Industrial Park JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for four years from 2009 to 2012, and a 50% reduction of the applicable CIT rate for the following nine years. The statutory CIT rate applicable for the year ended 31 December 2015 is 10% with a 50% reduction.
- ▶ For the operating activities at Trang Due Industrial Park – phase 2, Sai Gon – Hai Phong Industrial Park JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation. The subsidiary is entitled to an exemption from CIT for four years from 2015 to 2018, and a 50% reduction of the applicable CIT rate for the following nine years up to 2027. The statutory CIT rate applicable for the year ended 31 December 2015 is 0%.
- ▶ For operating activities at Tan Phu Trung Industrial Park, Northwest Saigon City Development JSC is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for four years from 2007 to 2010, and a 50% reduction of the applicable CIT rate for the following nine years. The statutory CIT rate applicable for the year ended 31 December 2015 is 10% with a 50% reduction.
- ▶ For operating activities at Trang Cat Urban and Service Zone, Trang Cat One Member Urban Development Company Limited Company is obliged to pay CIT with an applicable rate of 10% for the first 15 years of operation and of 20% for the following years. The subsidiary is entitled to an exemption from CIT for four years from 2012 to 2016, and a 50% reduction of the applicable CIT rate for the following nine years. The company is exempt from tax for the year ended 31 December 2015.

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

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28. CORPORATE INCOME TAX (continued)

28.1 CIT expenses

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year (restated)</i>
Current CIT expenses	113,881,512,091	1,922,333,344
Deferred CIT income	14,031,161,477	27,380,624,397
TOTAL	<u>127,912,673,568</u>	<u>29,302,957,741</u>

28.2 Current CIT

The current tax payable is based on taxable profit for the 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 Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

28. CORPORATE INCOME TAX (continued)

28.2 Current CIT (continued)

	Currency: VND	
	Current year	Previous year
Profit before tax	729,975,128,925	341,272,092,380
Adjustments to increase/(decrease) accounting profit		
Adjustments to increase		
Non-deductible expenses	20,519,384,702	3,696,162,450
Penalty	828,740,860	-
Remuneration to Board of Directors	1,109,480,000	812,495,000
Taxable income from previous years' land leasing activities which is taxable in the current year	25,659,187,710	16,809,571,786
Allocation of fair value adjustment on business combination	180,980,503,793	104,475,251,831
(Profit)/losses from associates	(9,590,181,448)	513,929,038
Unrealized foreign exchange losses	-	111,074,649
Losses from reduction in ownership interest in subsidiary	-	35,333,255,565
Adjustments to decrease		
Provision for investments in subsidiaries and associates	(63,835,478,619)	(56,086,307,756)
Gain from disposal of associate	-	(6,359,014,365)
Taxable income from land leasing activities to be allocated for the following years	(365,225,511,137)	(292,810,842,452)
Adjustment of previous year's expenses in current year	-	(20,828,000,000)
Adjusted net profit before loss carry forward and tax	520,421,254,786	126,939,668,126
<i>In which:</i>		
<i>Profit before tax of parent company</i>	<i>492,652,574,171</i>	<i>193,086,997,911</i>
<i>Profit before tax of the parent company (Hochiminh branch)</i>	<i>(40,779,832)</i>	<i>(18,003,240)</i>
<i>Profit before tax of subsidiaries</i>	<i>93,306,389,715</i>	<i>17,430,909,589</i>
<i>Losses before tax of subsidiaries</i>	<i>(71,981,406,302)</i>	<i>(89,250,401,397)</i>
<i>Taxable income from land leasing activities in previous years</i>	<i>6,484,477,034</i>	<i>5,690,165,264</i>
Tax loss carried forward	(83,598,231,381)	(209,062,479,280)
Estimated current taxable income/(loss)	436,823,023,405	(82,122,811,153)
Estimated current CIT	113,881,512,091	208,054,254
CIT payable at the beginning of the year	-	-
CIT prepaid at the beginning of the year	(45,092,138,252)	(43,774,550,524)
Adjustment for under accrual of CIT in previous year	-	1,714,279,090
CIT paid during the year	(7,694,466,484)	(3,239,921,072)
CIT payable at the end of the period	61,094,907,355	(45,092,138,252)
<i>In which:</i>		
<i>CIT payable (Note 16)</i>	<i>99,054,381,716</i>	<i>-</i>
<i>CIT prepaid (Note 16)</i>	<i>(37,959,474,361)</i>	<i>(45,092,138,252)</i>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

28. CORPORATE INCOME TAX (continued)

28.3 *Deferred CIT*

The followings are the deferred tax assets and liabilities recognized by the Group, and the movements thereon, during the current and previous year:

Currency: VND

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance (restated)</i>	<i>Current year</i>	<i>Previous year</i>
<i>Deferred tax liabilities</i>				
Deferred tax liabilities arising from fair value adjustment on business combination date at Northwest Saigon City Development JSC	240,425,723,486	262,874,442,901	(22,448,719,415)	(7,867,608,300)
Deferred tax liabilities arising from fair value adjustment on business combination date at Sai Gon – Hai Phong Industrial Park JSC	457,334,951	9,239,307,668	(8,781,972,716)	(10,167,751,261)
Deferred tax liabilities arising from allocation of CIT over the leased term	<u>258,004,710,590</u>	<u>212,742,856,982</u>	<u>45,261,853,608</u>	<u>45,415,983,958</u>
	<u>498,887,769,027</u>	<u>484,856,607,551</u>	-	-
Net deferred income tax debit to consolidated income statement			<u>14,031,161,477</u>	<u>27,380,624,397</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

28. CORPORATE INCOME TAX (continued)

28.4 Unrecognised deferred tax assets

Tax losses carried forward

The Group is entitled to carry the tax loss forward to offset with the taxable profit arising within 5 years subsequent to the year in which the loss was incurred. As at 31 December 2015, the Company has accumulated losses which are available for offset against future taxable profits. Details are as follows:

Currency: VND

Originating year	Can be utilized up to		Tax loss amount	Utilized up to 31 December 2015	Forfeited	Unutilized at 31 December 2015
2012	2017	(i)	290,447,513,954	(222,499,594,266)	-	67,947,919,688
2013	2018	(i)	114,297,270,724	(44,106,959,987)	(13,358,056,421)	56,832,254,316
2014	2019	(i)	89,268,404,637	-	-	89,268,404,637
2015	2010	(i)	72,022,186,133	-	-	72,022,186,133
TOTAL			566,035,375,448	(266,606,554,253)	(13,358,056,421)	286,070,764,774

- (i) These are estimated tax losses as per the Company and its subsidiaries' corporate income tax declarations which have not been audited by the local tax authorities as of the date of these consolidated financial statements.

No deferred tax assets were recognised in respect of the above accumulated losses because future taxable profit cannot be ascertained at this stage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

29. TRANSACTIONS WITH RELATED PARTIES

List of related parties which had transactions and/or receivable/payable balances during the year with the Group:

<i>No</i>	<i>Related party</i>	<i>Relationship</i>
1	Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Associate
2	Saigon Telecommunication & Technologies Corporation	Associate
3	Saigon - Hue Investment JSC	Associate
4	Scanviwood Joint Stock Company	Associate
5	Saigon - Da Nang Investment JSC	Common investor
6	Mr. Dang Thanh Tam	Chairman
7	Ms. Nguyen Thi Thu Huong	General Director
8	Mr. Phan Anh Dung	Deputy General Director

Terms and conditions of transactions with related parties

The sales, and purchase, of goods to/from related parties are made on contractual basis.

Outstanding balances at 31 December 2015 are unsecured and will be settled in cash. For the year ended 31 December 2015, the Company has not made any provision for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Significant transactions between the Group and its related parties during the year are as follows:

		<i>Currency: VND</i>	
<i>Related party</i>	<i>Related party</i>	<i>Current year</i>	<i>Previous year</i>
Mr. Dang Thanh Tam	Drawdown of loan	33,136,871,057	-
	Repayment of loan principal	29,287,707,175	-
	Advance	17,826,349,000	38,297,901,111
	Advance clearance	18,289,115,088	33,688,647,105
Saigon Telecommunication & Technologies JSC	Payment for installation fee of Video Conference System	1,485,599,500	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

29. TRANSACTIONS WITH RELATED PARTIES (continued)

As at 31 December 2015, amount due to and from related parties of the Group are as follows:

Related party	Description	Currency: VND
		Amount
Other loan receivables (Note 7)		
Saigon – Hue Investment JSC	Short-term loans	400,000,000
Saigon Telecommunication & Technologies Corporation	Short-term loans	8,700,000,000
		9,100,000,000
Other short-term receivables (Note 8)		
Mr. Dang Thanh Tam	Advance	6,175,359,000
Ms. Nguyen Thi Thu Huong	Advance	3,960,772,420
Mr. Phan Anh Dung	Advance	110,000,000
Ms. Nguyen Chung Thuy	Advance	183,356,000
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Deposit	21,592,687,097
		32,022,174,517
Trade payable (Note 15)		
Saigon Telecommunication & Technologies Corporation - Bac Ninh Branch	Service fee	90,860,000
		90,860,000
Accrued expenses (Note 17)		
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Interest payable	370,691,739
		370,691,739
Short-term loan (Note 19)		
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company (*)	Short-term loans	112,330,830,000
Saigon-Da Nang Investment JSC (**)	Short-term loans	1,500,000,000
		113,830,830,000
Long-term loans and debts (Note 19)		
Mr Dang Thanh Tam (***)	Long-term loans	3,849,163,882
		3,849,163,882

(*) This is the short-term loan from Saigon High-tech Park Infrastructure Development Investment Joint Stock Company which bears interest at 0.01% per month and will mature on 30 June 2016.

(**) This is the long-term loan from Saigon – Da Nang Investment JSC. This loan is interest free and requires no collateral, which will mature on 10 July 2015.

(***) This is the long-term loan which is interest free and requires no collateral based on the Loan Agreement No.01/TTMV/KBC-DTT/2015 dated 7 May 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

29. TRANSACTIONS WITH RELATED PARTIES (continued)

As at 31 December 2014, amount due from and to related parties of the Group are as follows:

Related party	Description	Currency: VND	
		Amount	
Other loan receivables (Note 7)			
Saigon – Hue Investment JSC	Short-term loans	400,000,000	
Saigon Telecommunication & Technologies Corporation	Short-term loans	8,900,000,000	
		9,300,000,000	
Other short-term receivables (Note 8)			
Mr. Dang Thanh Tam	Advance	3,960,772,420	
Ms. Nguyen Thi Thu Huong	Advance	6,638,125,088	
Mr. Phan Anh Dung	Advance	180,000,000	
Ms. Nguyen Chung Thuy	Advance	110,000,000	
Saigon Telecommunication & Technologies Corporation-Bac Ninh Branch	Deposit	22,592,687,097	
		33,481,584,605	
Short-term loan (Note 19)			
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Short-term loans	112,330,830,000	
Saigon-Da Nang investment JSC	Short-term loans	1,500,000,000	
		113,830,830,000	
Trade payable (Note 15)			
Saigon Telecommunication & Technologies Corporation-Bac Ninh Branch	Trade payable	17,160,000	
		17,160,000	
Accrued expense (Note 17)			
Saigon High-tech Park Infrastructure Development Investment Joint Stock Company	Interest payable	235,894,743	
		235,894,743	

Transactions with other related parties

Remuneration to members of the Management and Board of Directors:

	Currency: VND	
	Current year	Previous year
Salaries and bonus	8,995,940,744	6,577,051,332
Allowance for Board of Management	1,226,330,000	1,301,765,000
TOTAL	10,222,270,744	7,878,816,332

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

30. 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 Group 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 Group (after adjusting for interest on the convertible bonds) 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.

The Group uses the following information to calculate earnings per share.

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Net profit after tax attributable to ordinary equity holders for basic earnings	611,910,605,615	325,617,229,507
<i>Effect of dilution:</i>		
Interest on convertible bonds	-	825,066,667
Net profit after tax attributable to ordinary equity holders adjusted for the effect of dilution	611,910,605,615	326,442,296,174
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	464,938,271	360,364,584
<i>Effect of dilution:</i>		
Convertible preference shares	-	1,153,846
Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution	464,938,271	361,518,430
Earnings per share	1,316	904
Diluted earnings per share	1,316	903

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

31. COMMITMENTS AND CONTINGENCIES

31.1 *Commitments relating to real estate investment projects*

Commitments relating to the State

- (i) According to Decision 413/QD-UBND issued by Hanoi People's Committee on 22 January 2010, the Company is selected as the developer of Hanoi Lotus Hotel Project which is located on a land area of approximately 40,484 m² with the estimated total investment capital of US\$ 250,000,000. At the same time, the Group is also obliged to construct a children playground in a rural, poor area in Hanoi with an estimated total investment value of US\$1,500,000.
- (ii) According to Decision No. 1526/QD-CT 17 December 2003 and Decision No. 971/QD-UBND 15 July 2009 of the People's Committee of Bac Ninh Province regarding the assignment of land to the Company for the development of Phuc Ninh New Urban Area Project, Bac Ninh town, Bac Ninh province, the Company is under an obligation to pay land use fees and other charges for the residential land area, commercial and public areas within the Phuc Ninh Residential Area. Accordingly, the Company was handed over with 49.53 hectare of land in 2010, completed the land marking for 47.2 hectare of land in 2013 with the People's Committee of Bac Ninh province and settled the land use fees of VND175,735,431,000 in accordance with the Decision No. 2229/QD-CT of Bac Ninh province at 23 December 2004 which approved the land use fee (phase 1) and the notice of payment of land use fee by the Tax Department of Bac Ninh Province. As at 31 December 2015, the Company is still in the process of completing the land use fee settlement to the People's Committee of Bac Ninh province for the above assigned land.
- (iii) From 2003 to 2014, the Company signed a number of land lease agreements with the People's Committee of Bac Ninh province for the land area at Que Vo I Industrial Park and the Extended Que Vo, which is 2,268,388,8 m² and 1,652,779 m² respectively. As at 31 December 2015, the Company is in the process of working with the relevant authority to determine land rental obligations applicable to the Company. According to the Official Letter No. 323 / BTC-QLCS issued by the Ministry of Finance on 12 January 2015, Que Vo Industrial Park is entitled to land rent exemption for 11 years from the date the project is completed and put into operations.
- (iv) On 10 June 2015, the Company signed land lease agreement with the People's Committee of Bac Ninh province for the land area of 766,858.9 m² at Nam Son – Hap Linh Industrial Park. As at 31 December 2015, the Company is still in the process of working with the authority to determine land lease obligation.
- (v) On 20 March 2013, the Department of Finance of Ho Chi Minh city sent a notice to Northwest Saigon City Development JSC advising the land rental rate at Tan Phu Trung Industrial Park of VND 5,940 per square metre for 2011 and 2012. However, Decision No. 2093/QD-BTC dated 23 November 2011 and Circular No. 16/2013/TT-BTC, which provides relief for business enterprises, confirmed that the land rental rate from 2011 to 2014 would not exceed two times of that applicable for 2010. Therefore, the company currently accrued the land rental fee payable in Tan Phu Trung Industrial Park for 2011, 2012 and 2013 with the amount of VND 2,359,623,014, which is based on the land rental rate of VND500/m² or two times higher than 2010 land rental fee which had been agreed by the People's Committee of Ho Chi Minh city under the land lease contract No. 2516/HD-TNMT-QHSDD dated 5 April 2007. At the same time, the company sent a letter to People's Committee of Ho Chi Minh City to request for a reduction in land rental rate which should not exceed two times of that applicable for 2010 in pursuant to the above documents. As at 31 December 2015, the company is still in the process of finalising the land rental rate for the above leased land area with the People's Committee of Ho Chi Minh City.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

31. COMMITMENTS AND CONTINGENCIES (continued)

31.1 *Commitments relating to real estate investment projects* (continued)

Commitments relating to the State (continued)

(vi) From 2011 to 2014, Saigon - Haiphong Industrial Park JSC signed land lease agreements with the People's Committee of Hai Phong City for the land area at Trang Due Industrial Park with a total land area of 1,541,648.7 m². Details of these land lease contracts include: Contract No. 04/HĐTD dated 17 January 2011 (for 1,363,473.2 m² land area), contract No.179/HĐTD dated 31 December 2013 (for 84,871.8 m² land area) and contract No.13 / HĐTD dated 17 February 2014 (for 93,303.7 m² land area). On 12 December 2014, the General Department of Taxation of Haiphong city issued Decision No. 4274 / QĐ-CT on land rent exemption for Saigon-Hai Phong Industrial Park JSC. Accordingly, SHP is exempted from land tax until September 2017, December 2023 and November 2057 for the land lease contract No. 04, No.13 and No.179 respectively. However, according to Investment Certificate No.02221000009 issued by Hai Phong Economic Zone Management Board on 29 November 2013, SHP is exempted from land rental for the above land area. Therefore, SHP is in the process of working with the relevant government agencies to clarify the inconsistency in the above legal documents.

(vii) From 2008 to 2010, Saigon – Bac Giang Industrial Park JSC signed land lease agreements with the People's Committee of Bac Giang province for a total land area of 3,577,274 m² at Quang Chau Industrial Park. As at 31 December 2015, the company is still in the process of working with the authority to determine the land rental obligations applicable to the Company. According to the second Investment Certificate dated 12 September 2014, Quang Chau Industrial Park is entitled to land rental exemption for 6 years during the development of the Industrial Park and another 7 years from the date the project is completed and put into operations.

Capital expenditure commitments

As at 31 December 2015, the Company and its subsidiaries have contracts related to the construction and development of Que Vo I Industrial Park, Que Vo II Industrial Park, Phuc Ninh urban area, Quang Chau urban area, Trang Due Industrial Park and Trang Cat urban area with a total value of approximately VND 547 billion.

31.2 *Guarantee and security*

The Group has the following contingent liabilities related to guarantees as at 31 December 2015:

Guarantee under the mortgage contract with PVCombank:

As disclosed in Note 9, Trang Cat One Member Urban Development Company Limited ("Trang Cat Company") has signed mortgage contract No. 0202/2013/HDTC-DN dated 22 February 2013 with PVCombank to guarantee for payment obligations of third parties. According to which, Trang Cat Company has agreed to pledge part of its assets related to the Trang Cat Urban and Service Zone Project ("the Project") to guarantee for the loans, trust investment, corporate bonds and other contractual obligations of the Group, its subsidiaries, associates and other companies.

Commitment with Bank for Investment and Development of Vietnam

Under the Agreement to extend the bond period dated 27 December 2014 between the Company and Bank for Investment and Development of Vietnam, the Company committed to support Saigon- Quy Nhon Mineral Joint Stock Company and a group of other companies in the payment obligations with the Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

31. COMMITMENTS AND CONTINGENCIES (continued)

31.3 Disputes

Disputes with VTC Wireless Telecommunications Corporation

Under the Business Cooperation Agreement dated 12 February 2008 between the VTC Wireless Telecommunications Company ("VTC") and Saigon Telecommunication & Technologies Corporation and the Business Registration Certificate No. 0103025781 dated 11 July 2008, the registered charter capital of VTC - Saigontel Media Company is VND 160 billion, in which the Company's ownership interest is 19.2 %. Accordingly, the Company has transferred VND 30,700,200,000 (19.2% of charter capital) to Huu Nghi Communication JSC (the company authorized by VTC) on 10 March 2008 for VTC Wireless Telecommunications Company to purchase assets for VTC - Saigontel Media Corporation. However, VTC has not completed the purchase of assets for VTC - Saigontel Media Company as committed. Therefore, the Company is currently in the process of working with VTC to recall this investment. The Group's management has assessed that this investment will be collected from the VTC and therefore, no provision has been made for the investment in VTC - Saigontel Media Company.

32. RESTATEMENT OF PRIOR YEAR'S CONSOLIDATED FINANCIAL STATEMENTS

Certain corresponding figures in the consolidated financial statements for the year ended 31 December 2014 have been reclassified to reflect the presentation of the current year's consolidated financial statements in accordance with Circular 200. Details are as follows:

		<i>Currency: VND</i>			
<i>Code</i>	<i>Items</i>	<i>Note</i>	<i>31 December 2014 (as previously stated)</i>	<i>Restatement</i>	<i>31 December 2014 (restated amounts)</i>
Consolidated balance sheet					
131	Short-term trade receivables	(i)	710,633,068,859	(47,483,747,000)	663,149,321,859
135	Receivable from short-term loans	(ii)	-	62,790,991,000	62,790,991,000
136	Other short-term receivables	(iii)	804,193,496,379	2,952,300,357	807,145,796,736
153	Tax and other receivables from the State	(xv)	8,655,756,459	36,436,381,793	45,092,138,252
155	Other short-term assets	(iv)	36,553,395,357	(36,553,395,357)	-
211	Long-term trade receivables	(v)	461,757,137,391	3,608,451,000	465,365,588,391
215	Long-term loan receivables	(vi)	-	14,685,400,000	14,685,400,000
216	Other long-term receivables	(vii)	86,000,000	269,000,000	355,000,000
261	Long-term prepaid expenses	(viii)	22,320,584,962	(19,206,419,828)	3,114,165,134
268	Other long-term assets	(ix)	60,000,000	(60,000,000)	-
313	Statutory obligations	(xv)	167,497,455,109	(64,828,024,019)	102,669,431,090
315	Accrued expenses	(x)	1,423,632,597,189	(628,089,032,022)	795,543,565,167
319	Other payables	(xi)	240,332,662,093	(36,109,929,631)	204,222,732,462
320	Short-term loans	(xii)	998,211,850,989	18,609,929,631	1,016,821,780,620
333	Long-term accrued expenses	(x)	-	628,089,032,022	628,089,032,022
337	Other long-term liabilities	(xiii)	45,522,272,982	16,548,032,038	62,070,305,020
338	Long-term loans and finance lease obligations	(xiv)	3,054,659,342,874	(905,047,419,829)	2,149,611,923,045
339	Convertible bonds	(xiv)	-	886,050,000,000	886,050,000,000
341	Deferred tax liabilities	(xv)	383,592,201,739	101,264,405,812	484,856,607,551
342	Long-term provisions	(xvi)	-	951,967,962	951,967,962

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

32. RESTATEMENT OF PRIOR YEAR'S CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Currency: VND

<i>Code</i>	<i>Items</i>	<i>Note</i>	<i>For the year ended 31 December 2014 (as previously stated)</i>	<i>Restatement</i>	<i>For the year ended 31 December 2014 (restated amounts)</i>
Consolidated income statement					
51	Current corporate income tax expense	(xvii)	49,327,460,540	(47,405,127,196)	1,922,333,344
52	Deferred income tax income	(xvii)	(20,024,502,799)	47,405,127,196	27,380,624,397
Consolidated cash flow statement					
09	Increase in receivables	(xviii)	(130,370,442,798)	(6,429,366,844)	(136,799,809,642)
17	Other cash outflows from operating activities	(xviii)	(12,085,312,450)	6,429,366,844	(5,655,945,606)
(i)	Reclassify from short-term receivables to long-term receivables from customers and reclassify the receivables from Kumba JSC (for transfer of shares) from short-term trade receivables to other short-term receivables;				
(ii)	These are loans of the Group to other entities, which are reclassified from other short-term receivables to short-term loan receivables;				
(iii)	These are other short-term receivables reclassified to loan receivables, and to reclassify receivables from Kumba JSC (for transfer of shares) from short-term trade receivables to other short-term receivables;				
(iv)	These are advances to employees and deposits reclassified to other short-term receivables;				
(v)	These are long-term receivables of Northwest Saigon City Development JSC, which are reclassified to long-term trade receivables;				
(vi)	These are loans of KinhBac City Development Holding Corporation to other entities, which are reclassified from other short-term receivables to short-term loan receivables;				
(vii)	This is deposit from Cholimex Company for Phuc Ninh urban area, which is reclassified from other short-term payables to other long-term payables;				
(viii)	This is the convertible bond issue costs and bond guarantee fee which are deducted against long-term loans and finance leases;				
(ix)	These are deposits to suppliers, which are reclassified from other long-term current assets to other long-term receivables;				
(x)	These are accrual of loan interest of bond 003, 004, 006 and 007, which is reclassified from short-term accrued expenses to long-term accrued expenses after agreement with the bondholders;				
(xi)	These are non-interest bearing loans, which are reclassified to short-term loan and finance lease;				
(xii)	These are non-interest bearing loans from other entities, which are reclassified from other short-term payables to short-term loans and finance lease;				
(xiii)	These are deposits from customers, which are reclassified from other short-term payables;				
(xiv)	These are loan principal and convertible bond issued costs, which are reclassified to convertible bond;				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2015 and for the year then ended

32. RESTATEMENT OF PRIOR YEAR'S CONSOLIDATED FINANCIAL STATEMENTS
(continued)

- (xv) There are reclassified from statutory obligations, deferred tax liabilities and tax and other receivables from the State at Saigon - Hai Phong Industrial Park JSC, the subsidiaries;
- (xvi) There are provision of severance allowance, which is reclassified to long-term provision;
- (xvii) These are reclassified from current tax payable to deferred tax liabilities; and
- (xviii) These are deposits which are reclassified from "Other cash outflows from operating activities" to "Decrease in receivables".

33. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the consolidated balance date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Luu Phuong Mai
Preparer



Pham Phuc Hieu
Chief Accountant




Nguyen Thi Thu Huong
General Director

24 March 2016