



**BAKER TILLY  
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C  
A&C AUDITING AND CONSULTING CO., LTD.**



**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED 31 DECEMBER 2014**

**CONSTRUCTION  
INVESTMENT CORPORATION**

**3-2**

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**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of Construction Investment Corporation 3-2 (hereinafter referred to as "the Corporation") presents this Statement together with the audited Financial Statements for the fiscal year ended 31 December 2014.

**Business highlights**

Construction Investment Corporation 3-2 is a joint stock company which was incorporated by equitizing the former State-owned Construction Investment Company 3-2 in line with the Decision No. 1214/QĐ-UBND dated 21 April 2008 of the People's Committee of Binh Duong Province. The Corporation has been operating under the Business Registration Certificate No. 3700146225, which was firstly certified on 24 December 2008 and amended for the 6<sup>th</sup> time on 19 October 2012, granted by the Service of Planning and Investment of Binh Duong Province.

On 30 November 2012, the Corporation's stocks were officially listed at Ho Chi Minh City Stock Exchange in accordance with the Decision No. 134/2012/QĐ-SGDHCM dated 06 September 2012 of Ho Chi Minh Stock Exchange under code of C32.

Charter capital as in the Business Registration Certificate is as follows:

Shareholder	Share capital (VND)	Rate (%)
Protrade Corporation	57.120.000.000	51,00
Others	54.880.000.000	49,00
<b>Total</b>	<b>112.000.000.000</b>	<b>100,00</b>

Head office  
 Address : 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province  
 Tel. : (84-650) 3.759.446  
 Fax : (84-650) 3.755.605  
 Website : www.cic32.com  
 Tax code : 3700146225

Affiliates:	Address
Affiliate	
Branch of Construction Investment Corporation 3-2 - Mechanic and Concrete Workshop	5/138 Binh Duong Avenue, Hoa Lan 1 Quarter, Thuan Giao Ward, Thuan An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 - Real estate transaction floor	45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 - Construction and Installation Workshop	9C Nguyen Van Tiet Street, Dong Tu Quarter, Lai Thieu Ward, Thuan An Town, Binh Duong Province
Branch of Construction Investment Corporation 3-2 - Construction Stone Factory	635/1A Highway 1K, Tan An Quarter, Tan Dong Hiep Ward, Di An Town, Binh Duong Province



**CONSTRUCTION INVESTMENT CORPORATION 3-2**  
**STATEMENT OF THE BOARD OF MANAGEMENT (cont.)**

Principal business activities of the Corporation as in the Business Registration Certificate are as follows:

- Building public utility works;
- Growing bulbs with starch content;
- Growing fruit trees;
- Growing plants or crops to obtain fruit containing oil;
- Growing cashew nuts;
- Growing rubber trees;
- Planting and raising forests;
- Destroying and dismantling;
- Draining and treating sewage;
- Installing industrial machinery and equipment;
- Leasing construction machines and equipment;
- Growing other perennials;
- Exploiting wood;
- Exploiting forest produce other than wood;
- Building houses of all types;
- Wholesale of machines, equipment and spare parts for ore-mining and construction;
- Wholesale of machines, equipment, electricity materials (generators, electric motors, electric wire and other devices used in electricity circuits);
- Wholesale of construction materials, installing equipment;
- Wholesale of iron, steel;
- Doing business in real-estate, land use rights of owner, users or lessees; doing business in real-estate;
- Consultancy, brokerage, real-estate auction, land use right auction;
- Growing rice;
- Growing corn and other seed cereals;
- Growing plants or crops with oil seeds or nuts containing oil;
- Building highways;
- Preparing construction sites;
- Installing water supply and drainage, radiator and air-conditioning systems;
- Completing construction works;
- Producing concrete and products from cement and gypsum;
- Producing beds, wardrobes, tables, chairs;
- Wholesale of computers, peripheral devices and software;
- Transporting cargo by road;
- Loading goods on roads;
- Leasing motor vehicle;
- Growing vegetables, fruit, flowers and ornamental flowers;
- Constructing irrigation works; installing low voltage electricity grids and stations of under 35 KV; installing lighting systems; constructing water supply and drainage, radiator and air-conditioning systems; installing devices: security, alarm, fire preventing and fighting system, lightning arrester for construction works; mining stone, sand, pebbles and clay; processing stone; manufacturing bricks, tiles (in line with the Decision No. 15/2000/QĐ-BXD dated 24 July 2000 of the Ministry of Construction); forging, stamping, pressing and laminating metal; refining metal powder (not operating at the head office); processing mechanical products (except for plating); acting as an agent for trading and depositing goods, providing intermediary services, auctioning assets; engine fuel (not placing the petrol station at the head office); trading telecommunication equipment, audiovisual equipment; warehouse activities; investing and doing business in road and bridge transport, bridge and ferry waterway transport, road transport; contributing capital, buying shares; providing construction consultancy services (except for designing construction works).





**CONSTRUCTION INVESTMENT CORPORATION 3-2**  
STATEMENT OF THE BOARD OF MANAGEMENT (cont.)

**Financial position and financial performance**

and the cash flows for the this Statement (from page 08 to page 39).

During the year, the Corporation distributed its profit of the year 2013 following the Resolution dated 25 April 2014 of the Meeting of Shareholders' Council as follows:

	Amount (VND)
- Distribution of dividends of 2013 (24% charter capital)	26.880.000.000
- Advance of dividends of 2014	13.440.000.000
- Appropriation for investment and development fund (20% profit after tax)	13.323.564.390
- Appropriation for financial reserved fund (05% profit after tax)	3.330.891.097
- Appropriation for bonus and welfare funds (05% profit after tax)	3.330.891.097
- Appropriation for bonus fund for the Executive Officers (02% profit after tax)	1.332.356.440

**Subsequent events**

The Board of Management of the Corporation hereby confirms that there have been no events from 31 December 2014 to the date of this Statement which need any adjustments on the figures or the disclosures in the Financial Statements.

**Board of Management and Executive Officers**

Board of Management and Executive Officers of the Corporation during the year and as at the date of this Statement comprise of:

**Board of Management**

Full name	Position	Appointing date	Resigning date
Mr. Vo Van Lanh	Chairman	25 April 2014	-
Mr. Nguyen Thanh Xuan	Vice Chairman	11 December 2008	25 April 2014
Mr. Mai Tien Trung	Member	02 July 2011	25 April 2014
Mr. Nguyen The Phi	Member	25 April 2014	-
Mr. Nguyen The Su	Member	25 April 2014	-
Mr. Huynh Huu Hung	Member	25 April 2014	-
Mr. Phan Thanh Duc	Member	25 April 2014	-

**Control Board**

Full name	Position	Appointing date	Resigning date
Mr. Van Hoang Tung	Chief of the Board	25 April 2014	-
Mr. Bui Minh Hai	Member	11 December 2008	25 April 2014
Mr. Huynh Huu Hung	Member	07 May 2012	25 April 2014
Mr. Nguyen Luong Tam	Member	25 April 2014	-
Mr. Ly Thanh Chau	Member	25 April 2014	-

**Board of Directors**

Full name	Position	Appointing date	Resigning date
Mr. Vo Van Lanh	General Director	11 December 2008	-
Mr. Nguyen Thanh Xuan	Deputy General Director	02 January 2009	25 April 2014
Mr. Tran Van Binh	Deputy General Director	07 May 2014	-





**CONSTRUCTION INVESTMENT CORPORATION 3-2**  
STATEMENT OF THE BOARD OF MANAGEMENT (cont.)

**Auditors**

A&C Auditing and Consulting Co., Ltd. has performed the audit on the Corporation's Financial Statements for the fiscal year ended 31 December 2014, and has expressed its willingness to be appointed as the Corporation's external auditor.

**Responsibilities of the Board of Directors**

The Board of Directors of the Corporation is responsible for the preparation of the Financial Statements to give a true and fair view of the financial position, the financial performance and the cash flows of the Corporation. In order to prepare these Financial Statements, the Board of Directors is required to:

- select the appropriate accounting policies and apply them consistently;
- make judgment and estimates prudently;
- state clearly whether the accounting standards applied to the Corporation are followed or not, and all the material differences from these standards are disclosed and explained in the Financial Statements
- prepare the Financial Statements of the Corporation on the going-concern basis, except for the cases that the going-concern basis is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Financial Statements are free from material misstatements due to frauds or errors.

The Board of Directors hereby ensures that all the requirements mentioned above have been followed when the Financial Statements are prepared, that all the accounting books of the Corporation have been fully recorded and can fairly reflect the financial position of the Corporation at any time, and that all the Financial Statements have been prepared in compliance with the Vietnamese accounting system and standards, which were issued together with Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other circulars of the Ministry of Finance giving guidance on the application of the accounting standards and system.

The Board of Directors is also responsible for protecting the assets of the Corporation, and consequently has taken appropriate measures to prevent and to detect frauds and other irregularities.

**Approval on the Financial Statements**

The Board of Management hereby approves the accompanying Financial Statements, which can truly and fairly present the financial position as at 31 December 2014, the financial performance and the cash flows for the fiscal year then ended 31 December 2014 of Construction Investment Corporation 3-2 in conformity with the Vietnamese Accounting Standards and System, which were issued together with Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and other Circulars giving guidance on the application of the accounting standards and system of the Ministry of Finance.

For and on behalf of the Board of Management,



**Võ Văn Lanh**  
Chairman

Date: 14 March 2015





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A&C**

CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C  
A&C AUDITING AND CONSULTING CO., LTD.



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www.a-c.com.vn

No: 0178/2015/BCTC-KTTV

## INDEPENDENT AUDITOR'S REPORT

### THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS OF CONSTRUCTION INVESTMENT CORPORATION 3-2

We have audited the accompanying Financial Statements of Construction Investment Corporation 3-2 which were prepared on 19 January 2015 (from page 08 to page 39), including the Balance Sheet as at 31 December 2014, the Income Statement, the Cash Flow Statement for the fiscal year then ended and the Notes to the Financial Statements.

#### Responsibilities of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation, true and fair presentation of the Financial Statements in accordance with the Vietnamese Accounting Standards and System and other relevant legal regulations on the preparation and presentation of Financial Statements; and responsible for the internal control that the Board of Directors determines necessary to enable the preparation and presentation of the Financial Statements to be free from material misstatements due to frauds or errors.

#### Responsibilities of Auditor

Our responsibility is to express an opinion on these 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 standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and true and fair presentation of the 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide basis for our audit opinion.

#### Opinion of Auditor

In our opinion, the Financial Statements referred to above give a true and fair view, in all material respects, of the financial position as at 31 December 2014, the financial performance, and the cash flows for the fiscal year then ended of Construction Investment Corporation 3-2 in conformity with the Vietnamese Accounting Standards and System as well as other legal regulations on preparation and presentation of Financial Statements.



INDEPENDENT AUDITOR'S REPORT (cont.)

This report is made in two languages (Vietnamese and English), both of equal validity. The Vietnamese version will be the original for the reference when needed.

For and on behalf of  
A&C Auditing and Consulting Co., Ltd.



**Ly Quoc Trung - Deputy General Director**  
*Audit Practice Registration Certificate No. 0099-2013-008-1*

A handwritten signature in blue ink, appearing to be "Ner", written above a horizontal line.

**Nguyen Thi Phuoc Tien - Auditor**  
*Audit Practice Registration Certificate No. 1199-2013-008-1*

Ho Chi Minh City, 14 March 2015

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**CONSTRUCTION INVESTMENT CORPORATION 3-2**

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2014

**BALANCE SHEET**

As at 31 December 2014

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>281.713.374.106</b>	<b>237.449.812.857</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>9.861.328.609</b>	<b>38.118.698.848</b>
1. Cash	111		9.861.328.609	2.601.438.574
2. Cash equivalents	112		-	35.517.260.274
<b>II. Short-term financial investments</b>	<b>120</b>		<b>60.000.000.000</b>	<b>34.800.000.000</b>
1. Short-term investment	121	V.2	60.000.000.000	34.800.000.000
2. Provisions for devaluation of short-term investments	129		-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>135.856.816.989</b>	<b>85.692.511.019</b>
1. Trade receivables	131	V.3	135.373.715.273	79.471.919.434
2. Prepayments to suppliers	132	V.4	950.177.571	2.187.641.221
3. Short-term inter-company receivable	133		-	-
Receivable according to the progress of construction			-	-
4. contract	134		-	-
5. Other receivables	135	V.5	1.110.230.166	5.264.257.400
6. Allowance for doubtful debts	139	V.6	(1.577.306.021)	(1.231.307.036)
<b>IV. Inventories</b>	<b>140</b>		<b>60.942.719.565</b>	<b>65.846.011.944</b>
1. Inventories	141	V.7	61.207.435.045	65.999.022.205
2. Allowance for inventories	149	V.8	(264.715.480)	(153.010.261)
<b>V. Other current assets</b>	<b>150</b>		<b>15.052.508.943</b>	<b>12.992.591.046</b>
1. Short-term prepaid expenses	151		-	-
2. Deductible VAT	152		-	-
3. Taxes and other accounts receivable from the State	154		-	-
4. Trading Government bonds	157		-	-
4. Other current assets	158	V.9	15.052.508.943	12.992.591.046

This Statement should be read in conjunction with the Notes to the Financial Statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2014

**Balance Sheet (cont.)**

ASSETS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>91.653.067.975</b>	<b>92.668.414.859</b>
<b>I. Long-term receivables</b>	<b>210</b>		-	-
1. Long-term trade receivables	211		-	-
2. Working capital in affiliates	212		-	-
3. Long-term inter-company receivable	213		-	-
4. Other long-term receivable	218		-	-
5. Allowance for doubtful debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>86.740.383.543</b>	<b>91.166.985.803</b>
1. Tangible fixed assets	221	V.10	38.227.231.208	42.063.471.672
<i>Historical cost</i>	222		98.202.770.015	98.683.660.880
<i>Accumulated depreciation</i>	223		(59.975.538.807)	(56.620.189.208)
2. Financial leased assets	224		-	-
<i>Historical cost</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.11	47.759.699.410	48.927.379.870
<i>Initial costs</i>	228		78.805.887.427	78.805.887.427
<i>Accumulated amortization</i>	229		(31.046.188.017)	(29.878.507.557)
4. Construction-in-progress	230	V.12	753.452.925	176.134.261
<b>III. Investment property</b>	<b>240</b>		-	-
Historical costs	241		-	-
Accumulated depreciation	242		-	-
<b>IV. Long-term investments</b>	<b>250</b>		<b>200.887.800</b>	<b>200.887.800</b>
1. Investments in subsidiaries	251		-	-
2. Investments in associates	252		-	-
3. Other long-term investments	258	V.13	200.887.800	200.887.800
Provisions for devaluation of long-term financial	259		-	-
investments	259		-	-
<b>V. Other non-current assets</b>	<b>260</b>		<b>4.711.796.632</b>	<b>1.300.541.256</b>
1. Long-term prepaid expenses	261	V.14	4.711.796.632	1.300.541.256
2. Deferred income tax assets	262		-	-
3. Other non-current assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b><u>373.366.442.081</u></b>	<b><u>330.118.227.716</u></b>

This Statement should be read in conjunction with the Notes to the Financial Statements



**CONSTRUCTION INVESTMENT CORPORATION 3-2**

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2014

**Balance Sheet (cont.)**

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
<b>A - LIABILITIES</b>	<b>300</b>		<b>113.116.213.859</b>	<b>110.128.827.641</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>113.116.213.859</b>	<b>110.128.827.641</b>
1. Short-term borrowings	311	V.15	16.372.825.193	28.000.000.000
2. Trade payables	312	V.16	28.677.728.872	16.587.945.684
3. Advances from customers	313	V.17	8.505.807.030	3.889.480.944
4. Taxes and other obligations payable to State Budget	314	V.18	27.312.875.935	22.580.550.663
5. Payable to employees	315	V.19	10.028.204.569	8.871.165.055
6. Accrued expenses	316	V.20	10.097.513.923	17.120.152.869
7. Inter-company payable	317		-	-
Payable according to the progress of construction				
8. contracts	318		-	-
9. Other payable	319	V.21	5.632.156.033	6.428.134.501
10. Provisions for short-term payables	320	V.22	929.021.462	910.267.928
11. Bonus and welfare funds	323	V.23	5.560.080.842	5.741.129.997
12. Trading Government bonds	327		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		-	-
1. Long-term trade payables	331		-	-
2. Long-term inter-company payables	332		-	-
3. Other long-term payable	333		-	-
4. Long-term borrowings	334		-	-
5. Deferred income tax payable	335		-	-
6. Provisions for unemployment allowances	336		-	-
7. Provisions for long-term payables	337		-	-
8. Unearned revenues	338		-	-
9. Science and technology development funds	339		-	-
<b>B - OWNER'S EQUITY</b>	<b>400</b>		<b>260.250.228.222</b>	<b>219.989.400.075</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>260.250.228.222</b>	<b>219.989.400.075</b>
1. Capital	411	V.24	112.000.000.000	112.000.000.000
2. Share premiums	412		-	-
3. Other sources of capital	413		-	-
4. Treasury stocks	414		-	-
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416		-	-
7. Investment and development fund	417	V.24	43.917.892.930	30.594.328.540
8. Financial reserved fund	418	V.24	11.871.891.448	8.541.000.351
9. Other funds	419		-	-
10. Retained earnings	420	V.24	92.460.443.844	68.854.071.184
11. Construction investment fund	421		-	-
12. Business arrangement supporting fund	422		-	-
<b>II. Other sources and funds</b>	<b>430</b>		-	-
1. Sources of expenditure	432		-	-
2. Fund to form fixed assets	433		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>373.366.442.081</b>	<b>330.118.227.716</b>

This Statement should be read in conjunction with the Notes to the Financial Statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2014

**Balance Sheet (cont.)****OFF-BALANCE SHEET ITEMS**

ITEMS	Note	<u>Ending balance</u>	<u>Beginning balance</u>
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Goods deposited by others		741,977,446	735,217,883
4. Treated doubtful debts		-	-
5. Foreign currencies		-	-
6. Estimates for non-business and project expenditure		-	-

Binh Duong, 19 January 2015


Do Viet Cuong  
Preparer

Nguyen Xuan Hieu  
Chief AccountantVo Van Lanh  
General Director*This Statement should be read in conjunction with the Notes to the Financial Statements*



**CONSTRUCTION INVESTMENT CORPORATION 3-2**

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2014

**INCOME STATEMENT**

Year ended 2014

Unit: VND


ITEM	Code	Note	Current year	Previous year
1. Sales	01	VI.1	453.767.633.639	427.551.359.291
2. Sales deductions	02	VI.1	106.816.243	16.633.810
3. Net sales	10	VI.1	453.660.817.396	427.534.725.481
4. Cost of sales	11	VI.2	343.567.250.600	313.656.181.684
5. Gross profit	20		110.093.566.796	113.878.543.797
6. Financial income	21	VI.3	4.472.109.610	3.135.310.106
7. Financial expenses	22		590.072.664	3.119.669.332
In which: Loan interest expenses	23		590.072.664	3.119.669.332
8. Selling expenses	24	VI.4	8.816.530.427	5.074.081.804
9. General and administration expenses	25	VI.5	13.040.967.935	13.654.600.824
10. Net operating profit	30		92.118.105.380	95.165.501.943
11. Other income	31	VI.6	1.094.663.179	1.061.008.336
12. Other expenses	32	VI.7	667.349.345	7.079.968.447
13. Other profit/ (loss)	40		427.313.834	(6.018.960.111)
14. Total accounting profit before tax	50		92.545.419.214	89.146.541.832
15. Current income tax	51	V.18	20.741.343.530	22.528.719.883
16. Deferred income tax	52		-	-
17. Profit after tax	60		<u>71.804.075.684</u>	<u>66.617.821.949</u>
18. Earnings per share	70	VI.8	<u>6.411</u>	<u>5.948</u>

Binh Duong, 19 January 2015

  
Do Viet Cuong  
Preparer

  
Nguyen Xuan Hieu  
Chief Accountant



  
Vo Van Lan  
General Director

This Statement should be read in conjunction with the Notes to the Financial Statements

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2014

**CASH FLOW STATEMENT**

(Direct method)

Year ended 2014

Unit: VND

ITEM	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Gains from sales of goods and service provisions and other gains	01		427.134.586.832	423.865.034.791
	02		(279.354.369.202)	(262.699.371.268)
2. Payments to suppliers	03		(46.762.941.625)	(36.226.489.132)
3. Payments to employees	04		(1.074.407.176)	(2.925.068.665)
4. Interests paid	05	V.18	(29.329.518.183)	(24.075.617.171)
5. Corporate income tax paid	06		6.456.914.938	14.087.306.757
6. Other cash inflows	07		(42.818.466.907)	(46.841.386.569)
7. Other cash outflows	20		<u>34.251.798.677</u>	<u>65.184.408.743</u>
<i>Net cash flows from operating activities</i>				
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21	V.10, V.12, VII	(3.928.497.833)	(9.709.328.187)
2. Proceeds from disposals of fixed assets and other long-term assets	22	VI.6, V.17	715.563.636	55.726.275
3. Cash outflow for lending, buying debt instruments of other entities	23	V.2	(60.000.000.000)	(55.300.000.000)
4. Cash recovered from lending, selling debt instruments of other entities	24	V.2	34.800.000.000	20.500.000.000
5. Investments in other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	VI.3	4.409.740.088	3.117.600.606
<i>Net cash flows from investing activities</i>	30		<u>(24.003.194.109)</u>	<u>(41.336.001.306)</u>

This Statement should be read in conjunction with the Notes to the Financial Statements

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**CONSTRUCTION INVESTMENT CORPORATION 3-2**

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

**FINANCIAL STATEMENTS**

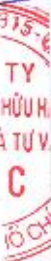
For the fiscal year ended 31 December 2014

**Cash Flow Statement (cont.)**

ITEM	Code	Note	Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Gains from stock issuance and capital contributions from shareholders	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Short-term and long-term loans received	33	V.15	126.932.767.805	-
4. Loan principal amounts repaid	34	V.15	(138.559.942.612)	-
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36	V.24	(26.878.800.000)	(40.317.990.000)
<i>Net cash flows from financing activities</i>	40		<u>(38.505.974.807)</u>	<u>(40.317.990.000)</u>
 Net cash flows during the year	50		(28.257.370.239)	(16.469.582.563)
 Beginning cash and cash equivalents	60		38.118.698.848	54.588.281.411
 Effects of fluctuations in foreign exchange rates	61		-	-
 Ending cash and cash equivalents	70		<u>9.861.328.609</u>	<u>38.118.698.848</u>

Binh Duong, 19 January 2015


Do Viet Cuong  
Preparer

Nguyen Xuan Hieu  
Chief AccountantVo Van Lanh  
General Director


This Statement should be read in conjunction with the Notes to the Financial Statements





## CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

On 22 December 2014, the Ministry of Finance released the following Circulars:

- Circular No. 200/2014/TT-BTC guiding the Business Accounting System in replacement for the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circular No. 244/209/TT-BTC dated 31 December 2009 of the Ministry of Finance;
- Circular No. 202/2014/TT-BTC guiding the preparation of Consolidated Financial Statements in replacement for guidance regarding the preparation of Consolidated Financial Statements as specified in the Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance.

The regulations of these Circulars are applied to the bookkeeping, preparations and presentations of the Financial Statements for the year 2015 onwards.

3. **Accounting form**  
General journal recording.

#### IV. ACCOUNTING POLICIES

1. **Accounting convention**  
All the Financial Statements are prepared on the accrual basis (except for the information relating to cash flows).

The Corporation organizes and applied the gathering accounting model, that requires all of supporting documents and figures of branches are gathered and accounted at the head office; therefore, its branches do not prepare their own Financial Statements.

2. **Cash and cash equivalents**  
Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates cannot exceed 03 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash.

3. **Inventories**  
Inventories are recorded at their original costs. Costs of inventories comprise all costs of purchases, cost of conversions and other costs incurred in bringing the inventories to their present location and conditions.

Costs of inventories are determined in accordance with the weighted average method and are recorded in line with the perpetual method.

Allowance for devaluation of inventories is recognized when their costs are higher than their net realizable values. Net realizable value is the estimated selling price of inventories less the estimated costs of completion and the estimated costs necessary to make the sale.

Any increases/ (decreases) in the balances of allowances for devaluation of inventories are recognized in the "costs of sales" during the year.



## CONSTRUCTION INVESTMENT CORPORATION 3-2

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### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

#### 4. Trade receivables and other receivables

Trade receivables and other receivables are recognized at the values on supporting documents and invoices.

Allowances for doubtful debts are made for each bad debt basing on outstanding debt ages or estimates for possible losses. Details are as follows:

- As for outstanding debts:
  - Allowance is made at the rate of 30% of the value of debts outstanding from over 06 months to less than 01 year;
  - Allowance is made at the rate of 50% of the value of debts outstanding from 01 year to less than 02 years;
  - Allowance is made at the rate of 70% of the value of debts outstanding from 02 years to less than 03 years;
  - Allowance is made at the rate of 100% of the value of debts outstanding for over 03 years.
- As for doubtful debts: allowances are made basing on the estimated loss.

Any increases/ (decreases) in the balances of the allowances for doubtful debts are recognized in "general and administration expenses" during the year.

#### 5. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets include all the expenses paid by the Corporation to bringing the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the conditions mentioned above shall be recorded into expenses.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 – 35
Machinery and equipment	05 – 10
Vehicles	06 – 08
Office equipment	03 – 05

#### 6. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization. Intangible fixed assets of the Corporation include:

##### *Land use right*

Land use right includes all the actual expenses related to the land being used such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground leveling, registration fees, etc. Land use right is amortized following the term specified in the Certificate of Land Use Right (i.e. 50 years).



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### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

#### *Computer software*

The buying price of the computer software which is not a part connected to related hardware shall be capitalized. Initial cost of computer software includes all the expenses paid until the date the software is put into use. Computer software is amortized in accordance with straight-line method in 02 years.

#### 7. **Financial investment**

Investments into stocks are recorded at their original costs. Interest, dividends and profit of the periods prior to the purchase of investment are recorded as a decrease in the value of that investment. Interest, dividends and profit of the periods after the purchase of investment are recorded in the Corporation's sales.

Provision for investments in other economic organizations is made when these organizations incur losses (except for the case of losses as in the plan made before the investments) at the rate equal to the difference between the actual capital invested by parties in these economic organizations and the actual owner's equity multiplying (x) by the Corporation's rate of capital contribution in comparison with the total actual capital invested by parties in these economic organizations.

Any increases/ (decreases) in the provision for financial investments are recognized in the financial expenses during the year.

When an investment is liquidated, the differences between net liquidation value and carrying value are recorded into income or expenses.

#### 8. **Long-term prepaid expenses**

##### *Tool expenses*

Expenses on tools being put into use are allocated into expenses during the year in accordance with the straight-line method for the maximum period of 36 months.

##### *Charges of mineral exploitation right grant*

Charges of mineral exploitation right grant are the payments for being granted this right. These charges are allocated into expenses accordance with the straight-line method along with the term specified in the Mineral Exploitation License.

##### *Other long-term prepaid expenses*

Other long-term prepaid expenses, including expenses on repairing garage and warehouse of installation and construction factory, strategy advisory charges, motorbike repair, mineral reserve survey, temporary house for workers, are allocated into expenses in accordance with the straight-line method in a maximum period of 24 months.

#### 9. **Accrued expenses**

Accrued expenses are recorded, based on reasonable estimates on the payments for goods and services already used.

##### *Expenses on renovating the quarry's environment*

Expenses on renovating the quarry's environment are appropriated basing on the approved environmental impact report of the project concerning the more extensive and deeper exploitation at Tan Dong Hiep quarry. Accordingly, the depth of coste -100m is approved in line with the Decision No. 725/QĐ-BTNMT dated 14 May 2013 of the Ministry of Natural Resources and Environment. According to this Decision, total estimate expenses on renovating the environment at 3-2 quarry is VND 4.373.052.206 and shall be appropriated in 07 years (2009-2015); the amount appropriated annually is VND 624.721.744. These expenses are recorded into general manufacturing expenses and included in costs of sales during the year.

*These Notes form an integral part of and should be read in conjunction with the Financial Statements*



## CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

#### 10. Severance allowances

The Corporation has to pay for severance allowances to the employees who have worked for the Corporation for 12 months or more. The payment for severance allowances is at  $\frac{1}{2}$  average monthly salary plus the salary allowances (if any) within 06 consecutive months prior to the resigning date for one working year as for the period the employees do not do not join in unemployment insurance plan.

Severance allowances are recognized in the "general and administration expenses" upon the actual payments to employees.

#### 11. Provisions for payables

Provisions are recorded when the Corporation has legal obligations or joint obligations resulted from an event in the past and is able to make payment for the accounts. Provisions are determined on the basis of the estimates of necessary expenses to settle the obligation as at the balance sheet date. If time causes material effects, the provisions shall be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money and the specific risks from this liability in the current market. The increase in provisions due to the effect of time shall be recognized as an interest expense.

##### *Expenses on warranty of construction and installation works*

Provision for warranty expenses is made for each type of construction and installation works under the commitment of warranty at the rate as committed to customers.

The extraction for warranty expenses on civil construction and technical infrastructure construction is estimated at the rate of 0,45% and 0,19% respectively on accumulated revenue from construction and installation works which are handed over during the year. These expenses are recorded into general manufacturing expenses and included in costs of sales during the year.

#### 12. Capital

The Corporation's source of capital is the owner's equity which is recognized basing on the actual investments by the shareholders.

#### 13. Dividends

Dividends are recorded as accounts payable when the dividends are disclosed.

#### 14. Appropriation for funds

The Corporation's funds are appropriated and used in line with the Corporation's Charter and Financial Management Regulations as follows:

	<u>Purpose</u>
• Investment and development fund	To expand the business operations or to make intensive investments.
• Financial reserved fund	To compensate losses and damages during the course of operation or unpredictable force majeure such as natural disaster, fire, etc.
• Bonus and welfare funds and bonus fund for the Executive Officers	To reward, encourage the material benefits, improve and raise the physical and moral lives for employees.

The appropriation rates of these funds are specified in the Decision of the Shareholders' Annual Meeting.

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## CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

### 15. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

#### *Current income tax*

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

#### *Deferred income tax*

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the balance sheet dates and shall be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used. The deferred income tax assets, which were not recorded formerly, are re-considered at the balance sheet date and are then recorded when there is enough taxable profit to use these unrecorded deferred income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as at the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax shall be included in the owner's equity of the Corporation.

### 16. Recognition of sales and income

#### *Sales of merchandises and finished goods*

Sales of merchandises and finished goods are recognized when most of risks and benefits incident to the ownership and management rights of those merchandises and finished goods are transferred to customers and there are no uncertainties related to payments, additional costs, or sales returns.

#### *Sales of service provision*

Sales of service provision are recognized when there are no significant uncertainties related to payments or additional costs. In the case that the services are provided in many accounting periods, the determination of sales is done on the basis of the service completion rate as at the balance sheet date.

#### *Revenue from the construction*

When the outcome of the construction contracts is estimated reliably,

- For the construction contracts stipulating that the contractors are paid according to the planned progress, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as determined by the Corporation itself.
- For the construction contracts stipulating that the contractors are paid according to the work actually performed, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as confirmed in the invoices made by the customers.





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### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

Any increases/ (decreases) in revenue of the works done, compensation receivable and other receivables are only recognized upon the agreement with customers.

When the outcome of the construction contracts cannot be estimated reliably,

- Contract revenue is recognized only to the extent that contract costs incurred are expected to be reliably recoverable.
- Contract costs are only recognized as actually incurred.

The difference between the accumulated revenue from the construction contract already recognized and the accumulated amount in the invoices according to the planned progress of contract is recognized as an amount receivable or an amount payable according to the planned progress of implementation of the construction contracts.

#### *Interest*

Interests are recorded basing on the term and the interest rates applied in each particular period.

#### *Dividends and profit shared*

Dividends and profit shared are recognized when the Corporation has the rights to receive dividends or profit from its capital contribution. In particular, the dividends received in form of shares are not recorded into income but only tracked the additional quantity.

### 17. Financial assets

#### *Classification of financial assets*

The classification of financial assets depends on their natures and purposes and is determined at the date of initial recognition. The financial assets of the Corporation comprise held-to-maturity investments, loans and receivables and available-for-sale financial assets.

#### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity periods that the Corporation intends and is able to hold to maturity.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in the market.

#### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets designated as available for sale or any other instruments that are not classified as financial assets at fair value through profit or loss, held-to-maturity investments, or loans and receivables.

#### *Initial recognition of a financial asset*

A financial asset is recognized at the acquisition date and derecognized at the selling date. At the date of initial recognition, a financial asset is recognized at initial costs plus other costs pertaining to acquisition or issuance of that financial asset.

### 18. Financial liabilities and equity instruments

Financial instruments are classified as financial liabilities or equity instruments upon the dates of initial recognition in conformity with the natures and definitions of financial liabilities or equity instruments.

*These Notes form an integral part of and should be read in conjunction with the Financial Statements*





## CONSTRUCTION INVESTMENT CORPORATION 3-2

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

### FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

#### Notes to the financial statements (cont.)

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##### *Financial liabilities*

The classification of financial liabilities depends on their natures and purposes and is determined at the date of initial recognition. The financial liabilities of the Corporation comprise trade payables, borrowings as well as other payables.

At the date of initial recognition, other financial liabilities are recorded at initial costs plus other costs pertaining to those financial liabilities.

Amortized value is measured by the initial value of financial liabilities minus the principal amounts then plus/minus the accumulated amortized amounts which are calculated by applying the effective interest method to the difference between initial value and the due value, then minus deductions (direct deductions or deductions by using a provisional account) due to devaluation or unrecoverable amount.

The effective interest method is used to calculate the amortized value of one or a group of financial liabilities and to allocate the interest income or interest expenses in relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or during a shorter period (if necessary) to the current net book value of the financial liability.

##### *Equity instrument*

Equity instrument is the contract which can prove the remaining benefits in the assets of the Corporation after deducting all of its liabilities.

#### 19. Offsetting financial instruments

Financial assets and financial liabilities shall be offset against each other and reflected at their net values in the Balance Sheet only if the Corporation:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to recognize the asset and to settle the liability simultaneously.

#### 20. Segment reporting

A business segment is a distinguishable component of the Corporation that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Corporation that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

#### 21. Related parties

A party is considered a related party of the Corporation in case that party is able to control the Corporation or to cause material effects on the financial decisions as well as the operations of the Corporation. A party is also considered a related party of the Corporation in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

Transactions with the related parties during the year are presented in Note VIII.1.

**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET****1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash in hand	221.566.985	1.490.445.315
Cash in bank	9.639.761.624	1.110.993.259
Cash equivalents (*)	-	35.517.260.274
<b>Total</b>	<u><b>9.861.328.609</b></u>	<u><b>38.118.698.848</b></u>

(\*) Under-03-month deposits

**2. Short-term financial investments**

This item presents the deposits having terms from 03 months to 12 months.

In which, the deposit of VND 43.000.000.000 has been pledged to secure the overdrafts from BIDV-Nam Binh Duong Branch.

**3. Trade receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
Land use right transfer	1.511.684.000	909.292.500
Construction execution	115.182.507.115	59.095.642.769
Acquisition of stones	2.175.838.215	5.538.607.775
Others	16.503.685.943	13.928.376.390
<b>Total</b>	<u><b>135.373.715.273</b></u>	<u><b>79.471.919.434</b></u>

**4. Prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Construction execution	773.767.571	965.427.319
Stone exploitation	10.000	818.288.902
Others	176.400.000	403.925.000
<b>Total</b>	<u><b>950.177.571</b></u>	<u><b>2.187.641.221</b></u>

**5. Other receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
Temporary payment from construction works	-	5.085.632.727
Excessive payment for social insurance	47.677.435	-
Advance for Management Unit of road upgrade and expansion work	984.764.000	-
Other receivables	77.788.731	178.624.673
<b>Total</b>	<u><b>1.110.230.166</b></u>	<u><b>5.264.257.400</b></u>

These Notes form an integral part of and should be read in conjunction with the Financial Statements

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**CONSTRUCTION INVESTMENT CORPORATION 3-2**

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**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

6. Allowances for doubtful debts	<u>Ending balance</u>	<u>Beginning balance</u>
Allowances for outstanding debts	1.577.306.021	1.231.307.036
- Allowance for debts outstanding less than 01 year	53.949.511	299.307.095
- Allowance for debts outstanding from 01 year to less than 02 years	389.167.629	329.193.737
- Allowance for debts outstanding from 02 years to less than 03 years	380.992.225	459.397.103
- Allowance for debts outstanding from 03 years or over	753.196.656	143.409.101
Allowances for doubtful debts	-	-
<b>Total</b>	<b><u>1.577.306.021</u></b>	<b><u>1.231.307.036</u></b>
Fluctuation of allowances for doubtful debts is as follows:		
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	1.231.307.036	1.297.536.251
Additional appropriation for allowances	345.998.985	502.794.256
Writing-off of debts, for which the allowances have been appropriated	-	(569.023.471)
<b>Ending balance</b>	<b><u>1.577.306.021</u></b>	<b><u>1.231.307.036</u></b>
7. Inventories		
	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	7.610.867.124	11.454.618.576
Work-in-process	19.557.229.351	11.879.110.487
Finished goods	6.484.943.980	8.882.641.568
Real estates	27.119.942.666	33.364.806.574
Goods on consignment	434.451.924	417.845.000
<b>Total</b>	<b><u>61.207.435.045</u></b>	<b><u>65.999.022.205</u></b>
8. Allowances for inventories		
	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	149.090.970	76.792.018
Finished goods	115.624.510	76.218.243
<b>Total</b>	<b><u>264.715.480</u></b>	<b><u>153.010.261</u></b>
Fluctuation of allowances for inventories is as follows:		
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	153.010.261	25.416.800
Additional appropriation for allowances	111.705.219	127.593.461
<b>Ending balance</b>	<b><u>264.715.480</u></b>	<b><u>153.010.261</u></b>
9. Other current assets		
	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	12.170.159.707	11.082.124.707
Short-term deposits and mortgages	2.882.349.236	1.910.466.339
<b>Total</b>	<b><u>15.052.508.943</u></b>	<b><u>12.992.591.046</u></b>

These Notes form an integral part of and should be read in conjunction with the Financial Statements

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**CONSTRUCTION INVESTMENT CORPORATION 3-2**

Address: 45A Nguyen Van Tiet Street, Lai Thieu Ward, Thuan An Town, Binh Duong Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

**10. Increases/ (decreases) in tangible fixed assets**

	Buildings & structures	Machinery & equipment	Vehicles	Office equipment	Total
<b>Historical costs</b>					
Beginning balance	21.749.914.255	57.203.938.899	18.685.856.372	1.043.951.354	98.683.660.880
Additions	375.049.000	901.812.581	2.606.405.091	51.660.909	3.934.927.581
Liquidation and disposal	-	(4.415.818.446)	-	-	(4.415.818.446)
<b>Ending balance</b>	<b>22.124.963.255</b>	<b>53.689.933.034</b>	<b>21.292.261.463</b>	<b>1.095.612.263</b>	<b>98.202.770.015</b>
<i>In which:</i>					
Assets being fully depreciated but still in use	1.898.493.799	25.300.276.042	7.993.704.986	402.109.536	35.594.584.363
<b>Depreciation</b>					
Beginning balance	7.180.594.606	38.941.842.735	9.726.870.081	770.881.786	56.620.189.208
Depreciation	1.548.622.293	4.138.618.353	1.924.233.026	159.694.373	7.771.168.045
Liquidation and disposal	-	(4,415,818,446)	-	-	(4,415,818,446)
<b>Ending balance</b>	<b>8.729.216.899</b>	<b>38.664.642.642</b>	<b>11.651.103.107</b>	<b>930.576.159</b>	<b>59.975.538.807</b>
<b>Net book value</b>					
Beginning balance	14.569.319.649	18.262.096.164	8.958.986.291	273.069.568	42.063.471.672
<b>Ending balance</b>	<b>13.395.746.356</b>	<b>15.025.290.392</b>	<b>9.641.158.356</b>	<b>165.036.104</b>	<b>38.227.231.208</b>
<i>In which:</i>					
Assets temporary not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

**11. Increases/(decreases) in intangible fixed assets**

	Land use right	Computer software	Total
<b>Initial costs</b>			
Beginning balance	78.581.967.427	223.920.000	78.805.887.427
<b>Ending balance</b>	<b>78.581.967.427</b>	<b>223.920.000</b>	<b>78.805.887.427</b>
<i>In which:</i>			
Assets being fully amortized but still in use	23.168.663.534	84.920.000	23.253.583.534
<b>Amortization</b>			
Beginning balance	29.782.004.223	96.503.334	29.878.507.557
Amortization	1.098.180.456	69.500.004	1.167.680.460
<b>Ending balance</b>	<b>30.880.184.679</b>	<b>166.003.338</b>	<b>31.046.188.017</b>
<b>Net book value</b>			
Beginning balance	48.799.963.204	127.416.666	48.927.379.870
<b>Ending balance</b>	<b>47.701.782.748</b>	<b>57.916.662</b>	<b>47.759.699.410</b>
<i>In which:</i>			
Assets temporary not in use	-	-	-
Assets waiting for liquidation	-	-	-

These Notes form an integral part of and should be read in conjunction with the Financial Statements





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Notes to the financial statements (cont.)

**12. Construction-in-progress**

This item presents the expenses on culvert mould. Information on these expenses is as follows:

Beginning balance	176.134.261
Increase	577.318.664
<b>Ending balance</b>	<b>753.452.925</b>

**13. Other long-term investments**

This item presents the investment to hold 18.098 shares of Binh Duong Consultant Construction Joint Stock Company, accounting for 3,52% of charter capital of this company.

**14. Long-term prepaid expenses**

	Beginning balance	Increase	Allocation	Ending balance
Tools	1.178.107.063	1.647.535.559	(1.307.634.315)	1.518.008.307
Charge of mineral exploitation right grant	28.258.851	-	(28.258.851)	-
Repairing garage and warehouse of installation and construction factory	-	523.450.000	(145.402.778)	378.047.222
Strategy advisory charge	25.605.000	737.971.182	(336.814.801)	426.761.381
Motorbike repair	-	4.258.188.000	(2.129.094.000)	2.129.094.000
Mineral reserve survey	-	741.031.291	(494.859.637)	246.171.654
Temporary house for workers	68.570.342	-	(54.856.274)	13.714.068
<b>Total</b>	<b>1.300.541.256</b>	<b>7.908.176.032</b>	<b>(4.496.920.656)</b>	<b>4.711.796.632</b>

**15. Short-term borrowings**

	Ending balance	Beginning balance
Short-term loans from banks <sup>(*)</sup>	16.372.825.193	-
Current portion of long-term borrowings <sup>(**)</sup>	-	28.000.000.000
<b>Total</b>	<b>16.372.825.193</b>	<b>28.000.000.000</b>

(\*) The item presents the overdraft from BIDV-Nam Binh Duong Branch. This overdraft is secured by term deposit (see Note V.2).

(\*\*) This item presents the loan from Provincial Party Committee Office of Binh Duong; this loan is to invest in Long Nguyen Centrifugal Concrete Plant in Ben Cat. This is a trust-receipt loan following the Agreement No. 01/HĐ/VV dated 15 February 2011.

Detailed information on short-term and borrowings is as follows:

	Beginning balance	Amount increased	Amount already repaid	Ending balance
Short-term loans from banks	-	126.932.767.805	(110.559.942.612)	16.372.825.193
Current portion of long-term borrowings	28.000.000.000	-	(28.000.000.000)	-
<b>Total</b>	<b>28.000.000.000</b>	<b>126.932.767.805</b>	<b>(138.559.942.612)</b>	<b>16.372.825.193</b>

*These Notes form an integral part of and should be read in conjunction with the Financial Statements*

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Notes to the financial statements (cont.)

16. Trade payables	<u>Ending balance</u>		<u>Beginning balance</u>	
Construction executors		11.025.755.047		7.654.134.339
Stone exploiters		9.210.523.515		6.686.204.863
Other suppliers		8.441.450.310		2.247.606.482
<b>Total</b>		<b><u>28.677.728.872</u></b>		<b><u>16.587.945.684</u></b>

17. Advances from customers	<u>Ending balance</u>		<u>Beginning balance</u>	
Construction execution		4.699.163.000		752.164.000
Acquisition of stones		1.402.393.906		1.254.005.277
Other customers		2.404.250.124		1.883.311.667
<b>Total</b>		<b><u>8.505.807.030</u></b>		<b><u>3.889.480.944</u></b>

18. Taxes and other obligations to the State Budget	<u>Beginning balance</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Ending balance</u>
VAT on local sales	3.300.152.195	18.195.794.977	(19.116.773.194)	2.379.173.978
Corporate income tax (*)	15.028.719.883	20.779.496.785	(29.329.518.183)	6.478.698.485
Personal income tax	528.347.878	1.515.647.114	(1.628.903.477)	415.091.515
Natural resource tax	3.462.537.842	9.594.866.211	(8.628.306.542)	4.429.097.511
Other taxes	-	48.861.725	(48.861.725)	-
Fees, legal fees and other duties	260.792.865	15.129.727.280	(1.779.705.699)	13.610.814.446
<b>Total</b>	<b><u>22.580.550.663</u></b>	<b><u>65.264.394.092</u></b>	<b><u>(60.532.068.820)</u></b>	<b><u>27.312.875.935</u></b>

**Value added tax (VAT)**

The Corporation has paid VAT in accordance with the deduction method. The VAT rate is 10% applied to all activities.

**Corporate income tax**

The Corporation is obliged to pay corporate income tax at the tax rate of 22% (in the previous year: 25%) on the taxable incomes.

Estimated corporate income tax liability is as follows:

	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	92.545.419.214	89.146.541.832
Increase/(decrease) of accounting profit to determine profit subject to corporate income tax:		
- Increases	2.167.599.625	2.487.092.861
- Decreases	(434.184.606)	(1.518.755.163)
Taxable income	94.278.834.233	90.114.879.530
Corporate income tax rate	22%	25%
<b>Corporate income tax liability</b>	<b><u>20.741.343.530</u></b>	<b><u>22.528.719.883</u></b>

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Notes to the financial statements (cont.)

**Natural resource tax**

The Corporation is obliged to pay natural resources tax on the exploitation of stones in accordance with the average selling price of freestones every month (the minimum price is VND 110.000/m<sup>3</sup> and the price applied from 14 December 2014 is VND 130.000/ m<sup>3</sup>), at the tax rate of 07%.

**Charges of stone quarry exploitation right grant**

The charges of quarry exploitation right grant are appropriated following the Decree No. 203/2013/ND-CP dated 28 November 2013 of the Government guiding the computation method and collection rate of charge of mineral exploitation right grant.

**Other taxes**

The Corporation has declared and paid other taxes in line with the prevailing regulations.

**19. Payables to employees**

This item presents the December salary and 13<sup>th</sup>-month salary as well as allowances for annual leaves and others payable to employees.

**20. Accrued expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Construction works	4.916.216.219	4.168.341.987
Loan interest	-	483.934.000
Stone quarry environment renovation	3.542.337.874	3.123.608.720
Charge of stone exploitation right grant	-	9.050.580.177
Land rental of stone factory	1.578.959.830	-
Other expenses	60.000.000	293.687.985
<b>Total</b>	<b><u>10.097.513.923</u></b>	<b><u>17.120.152.869</u></b>

**21. Other short-term payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
Social insurance, health insurance, unemployment insurance and Trade Union's expenditure	66.517.040	54.663.251
Construction teams and sub-contractors	4.113.196.452	3.663.309.163
Remunerations for the Board of Management	1.002.000.000	1.513.750.000
Compensation payable to households at Nguyen Van Tiet residential area	285.643.450	285.643.450
Dividends payable	14.923.155	13.723.155
Other payables	149.875.936	897.045.482
<b>Total</b>	<b><u>5.632.156.033</u></b>	<b><u>6.428.134.501</u></b>

**22. Provision for short-term payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
Beginning balance	910.267.928	932.956.648
Appropriation	429.475.667	422.751.628
Disbursement	(410.722.133)	(327.849.588)
Reversal of construction warranty	-	(117.230.760)
<b>Ending balance</b>	<b><u>929.021.462</u></b>	<b><u>910.267.928</u></b>

These Notes form an integral part of and should be read in conjunction with the Financial Statements

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**FINANCIAL STATEMENTS**

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Notes to the financial statements (cont.)

**23. Bonus and welfare funds**

	Beginning balance	Increase due appropriation from profit	Disbursement	Ending balance
Bonus fund	3.483.288.684	1.665.445.548	(1.670.725.000)	3.478.009.232
Welfare fund	2.257.841.313	1.665.445.549	(1.841.215.252)	2.082.071.610
Bonus fund for the Executive Officers	-	1.332.356.440	(1.332.356.440)	-
<b>Total</b>	<b>5.741.129.997</b>	<b>4.663.247.537</b>	<b>(4.844.296.692)</b>	<b>5.560.080.842</b>

**24. Owner's equity***Statement of fluctuations in owner's equity*

	Capital	Business promotion fund	Financial reserved fund	Retained earnings	Total
Beginning balance of the previous year	112.000.000.000	21.975.365.029	6.386.259.474	42.906.590.851	183.268.215.354
Profit during the year	-	-	-	66.617.821.949	66.617.821.949
Appropriation for funds during the year	-	8.618.963.511	2.154.740.877	(13.790.341.616)	(3.016.637.228)
Distribution of dividends of 2012	-	-	-	(13.440.000.000)	(13.440.000.000)
Advances of dividends of 2013	-	-	-	(13.440.000.000)	(13.440.000.000)
<b>Ending balance of the previous year</b>	<b>112.000.000.000</b>	<b>30.594.328.540</b>	<b>8.541.000.351</b>	<b>68.854.071.184</b>	<b>219.989.400.075</b>
Beginning balance of the current year	112.000.000.000	30.594.328.540	8.541.000.351	68.854.071.184	219.989.400.075
Profit in the year	-	-	-	71.804.075.684	71.804.075.684
Appropriation for funds during the year	-	13.323.564.390	3.330.891.097	(21.317.703.024)	(4.663.247.537)
Distribution of dividends of 2013	-	-	-	(13.440.000.000)	(13.440.000.000)
Advances of dividends of 2014	-	-	-	(13.440.000.000)	(13.440.000.000)
<b>Ending balance of the current year</b>	<b>112.000.000.000</b>	<b>43.917.892.930</b>	<b>11.871.891.448</b>	<b>92.460.443.844</b>	<b>260.250.228.222</b>

**Dividends**

Information on dividends paid during the year is as follows:

	Current year	Previous year
Distribution of dividends of the previous year	13.439.400.000	26.878.590.000
Advance of dividends	13.439.400.000	13.439.400.000
<b>Total</b>	<b>26.878.800.000</b>	<b>40.317.990.000</b>

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For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

3. Financial incomes	<u>Current year</u>	<u>Previous year</u>
Term deposit interest	4,386,277.615	3,092,070.831
Demand deposit interest	40,140.340	17,709.500
Profit and dividends shared	23,462.473	25,529.775
Other interests	22,229.182	-
<b>Total</b>	<b><u>4,472,109.610</u></b>	<b><u>3,135,310.106</u></b>
4. Selling expenses	<u>Current year</u>	<u>Previous year</u>
Employees	511,781.226	141,801.220
Transportation charges	8,304,749.201	4,923,079.205
Other expenses	-	9,201.379
<b>Total</b>	<b><u>8,816,530.427</u></b>	<b><u>5,074,081.804</u></b>
5. General and administration expenses	<u>Current year</u>	<u>Previous year</u>
Employees	8,849,049.696	9,168,975.372
Office stationery and supplies	21,720.243	253,886.614
Depreciation/ (amortization) of fixed assets	1,341,917.242	1,133,063.001
Taxes, fees and legal fees	11,084.176	11,084.176
Allowances for doubtful debts	345,998.985	502,794.256
External service rendered	501,225.771	901,994.976
Other expenses	1,969,971.822	1,682,802.429
<b>Total</b>	<b><u>13,040,967.935</u></b>	<b><u>13,654,600.824</u></b>
6. Other incomes	<u>Current year</u>	<u>Previous year</u>
Fee on land lot transfer	14,545.455	59,090.909
Fines for administration violations	171,491.507	55,568.026
Breach of contract penalty	-	36,639.772
Reversal of construction warranty	-	117,230.760
Proceeds from liquidation and disposal of fixed assets	720,000.000	55,726.275
Other incomes	188,626.217	736,752.594
<b>Total</b>	<b><u>1,094,663.179</u></b>	<b><u>1,061,008.336</u></b>
7. Other expenses	<u>Current year</u>	<u>Previous year</u>
Fines for administration violations	124,972.776	535,548.721
Breach of contract penalty	-	337,986.255
Expenses on liquidation and disposal of fixed assets	4,436.364	92,445.204
Additional charges of stone exploitation right grant of the previous year	-	5,730,872.752
Other expenses	537,940.205	383,115.515
<b>Total</b>	<b><u>667,349.345</u></b>	<b><u>7,079,968.447</u></b>

These Notes form an integral part of and should be read in conjunction with the Financial Statements



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Notes to the financial statements (cont.)

8. Earnings per share	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	71.804.075.684	66.617.821.949
Increase/(decrease) of accounting profit to determine profit attributable to holders of ordinary shares	-	-
Profit attributable to holders of ordinary shares	71.804.075.684	66.617.821.949
Average ordinary shares outstanding during the year	11.200.000	11.200.000
<b>Earnings per share</b>	<b>6.411</b>	<b>5.948</b>

9. Operating costs	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	134.955.313.764	110.908.594.134
Labor	51.007.210.955	42.647.579.267
Depreciation/ (amortization) of fixed assets	8.938.848.505	13.082.396.086
External service rendered	112.440.711.707	101.174.149.013
Other expenses	27.201.798.803	33.761.345.298
<b>Total</b>	<b>334.543.883.734</b>	<b>301.574.063.798</b>

**VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CASH FLOW STATEMENT****Non-cash transactions**

During the year, the Corporation has had the following non-cash transactions:

	<u>Current year</u>	<u>Previous year</u>
Personal income tax on dividends not yet paid	219.568.080	-
Acquisition of fixed assets by debt receipt	583.748.412	-

**VIII. OTHER DISCLOSURES****1. Transactions with related parties****Transaction with key managers and related individuals**

The key managers and related individuals comprise of members of the Board of Management, the Board of Directors, the Chief Accountant and their close family members.

Income of the key managers is as follows:

	<u>Current year</u>	<u>Previous year</u>
Salary	1.091.313.500	1.323.460.000
Social insurance, health insurance	25.653.509	46.985.440
Others	1.841.531.440	1.601.914.351
<b>Total</b>	<b>2.958.498.449</b>	<b>2.972.359.791</b>

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Notes to the financial statements (cont.)

**Transactions with other related parties**

Other related parties of the Corporation comprise of:

<b>Related parties</b>	<b>Relationship</b>
Provincial Party Committee Office of Binh Duong	Governing body of Protrade Corporation
Protrade Corporation	Shareholder holding 51% of capital – directly under management of Provincial Party Committee Office of Binh Duong

During the year, the Corporation entered into the following transactions with its related parties:

	<b>Current year</b>	<b>Previous year</b>
<b>Provincial Party Committee Office of Binh Duong</b>		
Loan interests	292.967.000	3.119.669.332
<b>Protrade Corporation</b>		
Dividend distribution	13.708.800.000	13.708.800.000
Sales from construction	-	964.916.000

As at the balance sheet date, the balances with related parties are as follows:

	<b>Ending balance</b>	<b>Beginning balance</b>
<b>Provincial Party Committee Office of Binh Duong</b>		
Loan payable	-	28.000.000.000
Loan interest payable	-	483.934.000
<b>Total payables</b>	<b>-</b>	<b>28.483.934.000</b>

**2. Information on segment**

Information on segment is presented as that of business sectors and geographical locations. Segment reporting is mainly done on the basis of business sectors.

**Business sectors**

The Corporation has operated in the following sectors:

- Sector 01: construction.
- Sector 02: manufacturing (manufacturing finished goods, including stones, culverts and bricks, etc.).
- Sector 03: other activities (selling merchandises, real estates and leasing trucks, etc.)



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Notes to the financial statements (cont.)

Information on financial performance, fixed assets, other long-term assets and large non-cash expenses of each sector -based segment of the Corporation as follows:

	<u>Construction</u>	<u>Manufacture</u>	<u>Other activities</u>	<u>Total</u>
<b>Current year</b>				
Net external sales	131.842.296.692	283.785.008.647	38.033.512.057	453.660.817.396
Net inter-segment sales	-	-	-	-
<b>Total net sales</b>	<u>131.842.296.692</u>	<u>283.785.008.647</u>	<u>38.033.512.057</u>	<u>453.660.817.396</u>
Segments' financial performance	14.254.745.904	93.988.622.925	1.850.197.967	110.093.566.796
Expenses not attributable to segments				(21.857.498.362)
Operating profit				88.236.068.434
Financial income				4.472.109.610
Financial expenses				(590.072.664)
Other income				1.094.663.179
Other expenses				(667.349.345)
Current income tax				(20.741.343.530)
Deferred income tax				-
<b>Profit after tax</b>				<u>71.804.075.684</u>
<b>Total amount paid to purchase fixed assets and other long-term assets</b>	297.234.808	10.546.024.755	1.577.162.714	<u>12.420.422.277</u>
<b>Total amount of depreciation expenses, allocated long-term prepaid expenses</b>	344.151.390	11.181.214.776	1.910.402.995	<u>13.435.769.161</u>
<b>Previous year</b>				
Net sales to external customers	133.761.140.986	265.981.441.602	27.792.142.893	427.534.725.481
Net sales among segments	-	-	-	-
<b>Total net sales</b>	<u>133.761.140.986</u>	<u>265.981.441.602</u>	<u>27.792.142.893</u>	<u>427.534.725.481</u>
Segments' financial performance	23.341.583.831	88.724.324.299	1.812.635.667	113.878.543.797
Expenses not attributable to segments				(18.728.682.628)
Operating profit				95.149.861.169
Financial income				3.135.310.106
Financial expenses				(3.119.669.332)
Other income				1.061.008.336
Other expenses				(7.079.968.447)
Current income tax				(22.528.719.883)
Deferred income tax				-
<b>Profit after tax</b>				<u>66.617.821.949</u>
<b>Total amount paid to purchase fixed assets and other long-term assets</b>	141.019.181	8.184.045.117	1.310.912.527	<u>9.635.976.825</u>
<b>Total amount paid to purchase fixed assets and other long-term assets</b>	728.849.141	12.058.018.795	2.847.798.013	<u>15.634.665.949</u>

These Notes form an integral part of and should be read in conjunction with the Financial Statements

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Notes to the financial statements (cont.)

	<u>Construction</u>	<u>Manufacture</u>	<u>Other activities</u>	<u>Total</u>
Information on assets and liabilities each sector -based segment of the Corporation is as follows:				
<b>Ending balance</b>				
Direct assets of segment	139.896.945.995	104.206.459.415	40.272.631.839	284.376.037.249
Unallocated assets				88.990.404.832
<b>Total assets</b>				<b>373.366.442.081</b>
Direct liabilities of segment	20.641.134.266	17.425.121.294	9.214.794.265	47.281.049.825
Unallocated liabilities				65.835.164.034
<b>Total liabilities</b>				<b>113.116.213.859</b>
<b>Beginning balance</b>				
Direct assets of segment	77.954.739.512	112.069.352.654	42.874.278.267	232.898.370.433
Unallocated assets				97.219.857.283
<b>Total assets</b>				<b>330.118.227.716</b>
Direct liabilities of segment	12.574.640.326	49.432.154.319	3.590.784.852	65.597.579.497
Unallocated liabilities				44.531.248.144
<b>Total liabilities</b>				<b>110.128.827.641</b>

**Geographical locations**

The entire activities of the Corporation are taken place in Vietnam.

**3. Financial risk management****Overview**

The Corporation's activities are exposed to the financial risks, including credit risk, liquidity risk and market risk. The Board of Directors is responsible for establishing policies and controls to minimize the financial risk as well as monitor the implementation of applied policies and controls. The risk management is carried out mainly by the Department of Accounting and Finance following the policies and procedures approved by the Board of Directors.

**Credit risk**

Credit risk is the risk that one contractual party shall cause a loss for the Corporation by its failure to pay for its obligations.

The Corporation is exposed to credit risks substantially from trade receivables and cash in bank.

**Trade receivables**

In order to control the trade receivables, the Board of Directors has released regulations on sales of goods with close stipulations in details on purchase subjects, sales limits, debt limit and debt term. The Board of Directors shall inspect the conformity with these regulations on sales of goods every month. Besides, the accountant follows up the accounts receivable regularly to accelerate the recovery.

The trade receivables of the Corporation relate to various entities operating in different sectors and geographical locations, and therefore the credit risks from these trade receivables are low.





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Notes to the financial statements (cont.)

*Cash in bank*

Term deposits and demand deposits of the Corporation are in local banks. The Board of Directors believes that there is no material credit risk from these deposits.

The maximum credit risk level of financial assets is their carrying values (see Note VIII.4 regarding the carrying value of financial assets).

Analysis of outstanding age and devaluation of financial assets is as follows:

	Not yet overdue or devaluated	Overdue but not devaluated	Already overdue and/or devaluated	Not yet overdue but devaluated	Total
<b>Ending balances</b>					
Cash and cash equivalents	9.861.328.609	-	-	-	9.861.328.609
Held-to-maturity investments	60.000.000.000	-	-	-	60.000.000.000
Trade receivables	133.222.550.653	-	2.151.164.620	-	135.373.715.273
Other receivables	3.888.105.801	-	104.473.601	-	3.992.579.402
Available-for-sale financial assets	200.887.800	-	-	-	200.887.800
<b>Total</b>	<b>207.172.872.863</b>	<b>-</b>	<b>2.255.638.221</b>	<b>-</b>	<b>209.428.511.084</b>
<b>Beginning balance</b>					
Cash and cash equivalents	38.118.698.848	-	-	-	38.118.698.848
Loans	34.800.000.000	-	-	-	34.800.000.000
Trade receivables	77.016.150.967	-	2.455.768.467	-	79.471.919.434
Other receivables	7.174.723.739	-	-	-	7.174.723.739
Available-for-sale financial assets	200.887.800	-	-	-	200.887.800
<b>Total</b>	<b>157.310.461.354</b>	<b>-</b>	<b>2.455.768.467</b>	<b>-</b>	<b>159.766.229.821</b>

*Liquidity risk*

Liquidity risk is the risk that the Corporation shall encounter difficulty in meeting obligations associated with financial liabilities.

The Corporation's liquidity risks mainly arise from the differences in maturity dates of financial assets and financial liabilities.

The Corporation controls the liquidity risks by regularly tracking the current payment requests as well as estimated payment requests in the futures to maintain an appropriate amount of cash and loans at reasonable level, supervising the cash flows actually arisen in comparison with estimation to minimize the effects of the changes in cash flows.





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The terms of payments to non-derivative financial liabilities are based on the undiscounted payments supposed to make according to the contracts. Details are as follows:

	Under 01 year	From 01 year to 05 years	Over 05 years	Total
<b>Ending balance</b>				
Borrowings	16.372.825.193	-	-	16.372.825.193
Trade payables	28.677.728.872	-	-	28.677.728.872
Other payables	16.592.174.378	-	-	16.592.174.378
<b>Total</b>	<b>61.642.728.443</b>	<b>-</b>	<b>-</b>	<b>61.642.728.443</b>
<b>Beginning balance</b>				
Borrowings	28.000.000.000	-	-	28.000.000.000
Trade payables	16.587.945.684	-	-	16.587.945.684
Other payables	24.403.892.047	-	-	24.403.892.047
<b>Total</b>	<b>68.991.837.731</b>	<b>-</b>	<b>-</b>	<b>68.991.837.731</b>

The Board of Directors believes that the liquidity risk is low. The Corporation can settle its current portions of debts from operating cash flow and the gain from financial liabilities on due dates. The Corporation is able to approach capital sources and loans falling due within 12 months, which can be extended with the current creditors.

**Market risk**

Market risk is the risk that the fair value or cash flows in the future of a financial instrument shall fluctuate due to changes in market prices.

Market risks relating to the Corporation's operations comprise of interest rate risk and merchandise/ (material) risk.

The sensitivity analyses and evaluations below are related to the Corporation's financial position as at 31 December 2014 and 31 December 2013 on the basis of net debt value. The rates of changes of interest rate as well as merchandise/ (material) price for analyses are assumed on the basis of the judgments of what can be happen in the next 01 year in the observable conditions of the current market.

**Interest rate risk**

Interest rate risk is the risk that the fair value or cash flows of in the future a financial instrument shall fluctuate due to changes in market interest rates.

The Corporation's interest rate risk relates to term deposits and loans at floating interest rates.

The Corporation controls the interest rate risk by analyzing the market situation on order to give appropriate decision on choosing the time for getting loans, choosing appropriate loan terms to get the most favorable interest rates as well as maintaining loan structure with appropriate floating interest rate and fixed interest rate.

Financial instruments at floating interest rates of the Corporation are as follows:

	Ending balance	Beginning balance
Cash and cash equivalents	-	35.517.260.274
Held-to-maturity investments	60.000.000.000	34.800.000.000
Loans and borrowings	(16.372.825.193)	(28.000.000.000)
<b>Net assets/ (liabilities)</b>	<b>43.627.174.807</b>	<b>42.317.260.274</b>

These Notes form an integral part of and should be read in conjunction with the Financial Statements



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Notes to the financial statements (cont.)

The Corporation believes that the effects due to fluctuation of interest rates on profit after tax and owner's equity are negligible since its net assets carry unremarkable values.

*Merchandise/ (material) price risk*

The Corporation is exposed to the risk related to fluctuations of merchandise/ (material) prices. The Corporation manages the merchandise/ (material) price risk by following up the market information and related situations to control the time for purchasing merchandise/ (material), preparing manufacturing plan and keeping the volumes of inventories at reasonable level.

*Collaterals**Collaterals pledged to other entities*

The Corporation pledged its term deposit to secure the loan from BIDV- Nam Binh Duong Branch (see Notes V.1 and V.15). The carrying value of this collateral as at 31 December 2014 is totally VND 14.300.000.000.

*Collaterals pledged by other entities*

The Corporation did not have any collaterals pledged by other entities as at 31 December 2014 and 31 December 2013.

**4. Fair values of financial assets and liabilities***Financial assets*

	Carrying value				Fair value	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Initial costs	Provision	Initial costs	Provision		
Cash and cash equivalents	9.861.328.609	-	38.118.698.848	-	9.861.328.609	38.118.698.848
Held-to-maturity investments	60.000.000.000	-	34.800.000.000	-	60.000.000.000	34.800.000.000
Trade receivables	135.373.715.273	(1.577.306.021)	79.471.919.434	(1.231.307.036)	133.796.409.252	78.240.612.398
Other receivables	3.992.579.402	-	7.174.723.739	-	3.992.579.402	7.174.723.739
Available-for-sale financial assets	200.887.800	-	200.887.800	-	200.887.800	200.887.800
<b>Total</b>	<b>209.428.511.084</b>	<b>(1.577.306.021)</b>	<b>159.766.229.821</b>	<b>(1.231.307.036)</b>	<b>207.851.205.063</b>	<b>158.534.922.785</b>

*Financial liabilities*

	Carrying value		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Borrowings	16.372.825.193	28.000.000.000	16.372.825.193	28.000.000.000
Trade payables	28.677.728.872	16.587.945.684	28.677.728.872	19.871.206.236
Other payables	16.592.174.378	24.403.892.047	16.592.174.378	22.256.948.648
<b>Total</b>	<b>61.642.728.443</b>	<b>68.991.837.731</b>	<b>61.642.728.443</b>	<b>70.128.154.884</b>

Fair values of financial assets and liabilities of the Corporation are reflected at the values which the financial instruments can be converted in a current transaction among parties having adequate knowledge and expecting to enter into the transaction.

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The Corporation has applied the following method and assumption to estimate the fair values of financial assets and financial liabilities:

- Fair values of cash and cash equivalents, trade receivables, other receivables, loans, trade payables and other current liabilities are equivalent to their carrying values (excluding the provisions for estimates on unrecoverable amounts) since these instruments have short-term periods.
- Fair values of trade receivables, other receivables, loans, trade payables, other non-current liabilities and held-to-maturity investments, which have not been listed in the stock market or supported by any transaction prices released by three stock companies, are estimated by discounting cash flow at the interest rates applicable to the loans having similar features and due dates with the financial assets and financial liabilities.

The Corporation has not given any official measurement on the available-for-sale financial assets. However, the Board of Directors believes that there is no material difference between the fair values and carrying values of these financial assets.

Binh Duong, 19 January 2015



**Do Viet Cuong**  
Preparer



**Nguyen Xuan Hieu**  
Chief Accountant



**Vo Van Lanh**  
General Director

