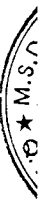


**INTERIM SEPERATE FINANCIAL STATEMENT  
(UNAUDITED VERSION)**

**Pan Pacific Corporation**

30 September 2014



# Pan Pacific Corporation

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# Pan Pacific Corporation

## GENERAL INFORMATION

### THE COMPANY

Pan Pacific Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0301472704 issued by the Department of Planning and Investment of Ho Chi Minh City on 31 August 2005, as amended.

The Company is listed on the Ho Chi Minh City Stock Exchange ("HOSE") in accordance with License No. 244/2010/QD-SDGHCM issued by the HOSE on 18 November 2010.

The current principal activities of the Company and its subsidiaries are to perform agricultural activities and related activities, the financial investments and provide cleaning services and other related services.

The Company's registered office is located at 236/43/2 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. In addition, the Company also has its representative office in Hanoi, Vietnam.

### BOARD OF DIRECTORS

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

Mr. Nguyen Duy Hung	Chairman	appointed on 26 April 2013
Mr. Michael Louis Rosen	Member	appointed on 26 April 2013
Mr. Tran Dinh Long	Member	appointed on 26 April 2013
Mrs. Nguyen Thi Tra My	Member	appointed on 26 April 2013
Mrs. Le Thi Le Hang	Member	appointed on 26 April 2013
Mrs. Ha Thi Thanh Van	Member	appointed on 26 April 2013
Mr. Nguyen Van Khai	Member	appointed on 26 April 2013
Mr. Michael Sng Beng Hock	Member	appointed on 10 May 2014

### BOARD OF SUPERVISION

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

Mr. Nguyen Duy Hung	Head	appointed on 26 April 2013
Mrs. Nguyen Thi Thanh Ha	Member	appointed on 26 April 2013
Mr. Nguyen Tuan Anh	Member	appointed on 10 May 2014
Ms. Nguyen Thai Hanh Linh	Member	resigned on 10 May 2014

### MANAGEMENT

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

Mr. Michael Louis Rosen	General Director	appointed on 6 May 2013
Mr. Nguyen Van Khai	Deputy General Director	appointed on 6 May 2013

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Nguyen Duy Hung.

Mr. Nguyen Van Khai is authorised by Mr. Nguyen Duy Hung to sign the interim separate financial statements for the nine-month period ended 30 September 2014.

INTERIM SEPARATE BALANCE SHEET (UNAUDITED)  
as at 30 September 2014

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>104,058,828,271</b>	<b>227,181,846,900</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>11,211,198,390</b>	<b>6,280,443,828</b>
111	1. Cash		1,276,307,619	6,239,283,828
112	2. Cash equivalents		9,934,890,771	41,160,000
<b>120</b>	<b>II. Short-term investments</b>	<b>11.1</b>	<b>32,500,000,000</b>	<b>149,828,958,329</b>
121	1. Short-term investments		32,500,000,000	149,828,958,329
129	2. Provision for short-term investments		-	-
<b>130</b>	<b>III. Current accounts receivable</b>		<b>59,474,798,538</b>	<b>68,826,915,804</b>
131	1. Trade receivables	5	1,440,789,224	18,415,336,784
132	2. Advances to suppliers	6	50,472,094,314	50,173,423,871
135	3. Other receivables	7	7,561,915,000	238,155,149
<b>140</b>	<b>IV. Inventories</b>		-	-
141	1. Inventories		-	-
<b>150</b>	<b>V. Other current assets</b>		<b>872,831,343</b>	<b>2,245,528,939</b>
151	1. Short-term prepaid expenses	8	32,948,535	55,839,271
152	2. Value-added tax deductible		178,366,878	249,891,813
154	3. Tax and other receivables from the State		31,503,033	995,015,078
158	4. Other current assets	9	630,012,897	944,782,777
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,007,425,360,585</b>	<b>300,999,128,732</b>
<b>220</b>	<b>I. Fixed assets</b>	<b>10</b>	<b>8,146,196,421</b>	<b>8,818,708,164</b>
221	1. Tangible fixed assets		8,146,196,421	8,818,708,164
222	Cost		15,697,031,575	15,697,031,575
223	Accumulated depreciation		(7,550,835,154)	(6,878,323,411)
<b>250</b>	<b>II. Long-term investments</b>		<b>998,635,385,621</b>	<b>291,933,754,707</b>
251	1. Investments in subsidiaries	11.2	964,666,939,266	291,933,754,707
252	2. Investments in associates		33,968,446,355	-
258	3. Other long-term investments		-	-
259	4. Provision for long-term investments		-	-
<b>260</b>	<b>III. Other long-term assets</b>		<b>643,778,543</b>	<b>246,665,861</b>
261	1. Long-term prepaid expenses	12	249,877,983	48,874,461
262	2. Deferred tax assets		-	-
268	3. Other long-term assets		393,900,560	197,791,400
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,111,484,188,856</b>	<b>528,180,975,632</b>


INTERIM SEPARATE BALANCE SHEET (UNAUDITED) (continued)  
as at 30 September 2014

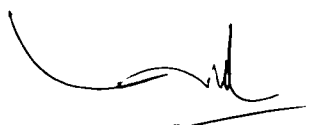
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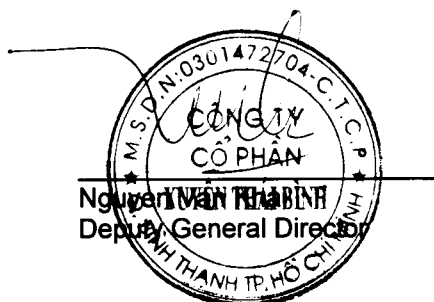
Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>A. LIABILITIES</b>		<b>10,818,313,629</b>	<b>52,282,086,791</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>9,697,800,129</b>	<b>51,161,573,291</b>
311	1. Short-term loan		-	9,500,000,000
312	2. Trade payables	13	897,710,021	5,571,427,491
313	2. Advances from clients		208,308,899	-
314	3. Statutory obligations	14	272,688,813	216,902,433
315	4. Payables to employees		997,967,737	797,154,211
316	5. Accrued expenses	15	3,973,000,003	165,000,000
319	6. Other payables	16	602,956,034	31,288,058,584
323	7. Bonus and welfare funds		2,745,168,622	3,623,030,572
<b>330</b>	<b>II. Non-current liability</b>	17	<b>1,120,513,500</b>	<b>1,120,513,500</b>
333	1. Other long-term liabilities		1,120,513,500	1,120,513,500
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>1,100,665,875,227</b>	<b>475,898,888,841</b>
<b>410</b>	<b>I. Capital</b>	18	<b>1,100,665,875,227</b>	<b>475,898,888,841</b>
411	1. Share capital		605,437,480,000	200,500,000,000
412	2. Share premium		466,691,068,236	226,238,904,236
417	3. Investment and development fund		5,756,899,134	5,756,899,134
418	4. Financial reserve fund		5,756,899,134	5,756,899,134
420	5. Undistributed earnings		17,023,528,723	37,646,186,337
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,111,484,188,856</b>	<b>528,180,975,632</b>

## OFF BALANCE SHEET ITEM

ITEM	Ending balance	Beginning balance
Bad debt written off (VND)	90,730,000	90,730,000

  
 \_\_\_\_\_  
 Nguyen Thi Thu Hong  
 Preparer

  
 \_\_\_\_\_  
 Tran Anh Phuong  
 Chief Accountant

  
 \_\_\_\_\_  
 Nguyen Van Thuan  
 Deputy General Director

13 October 2014

INTERIM SEPARATE INCOME STATEMENT (UNAUDITED)  
for the nine-month period ended 30 September 2014

VND

Code	ITEMS	Notes	Reporting Period		Accumulative from the beginning of the year to the end of reporting period	
			Quarter 3/2014	Quarter 3/2013	Quarter 3/2014	Quarter 3/2013
01	1. Revenue from sale of goods and rendering of services	19.1	1,942,769,677	8,997,356,212	10,093,936,764	30,288,569,466
02	2. Deductions		-	-	-	-
10	3. Net revenue from sale of goods and rendering of services	19.1	1,942,769,677	8,997,356,212	10,093,936,764	30,288,569,466
11	4. Cost of goods sold and services rendered		1,345,750,187	8,445,350,258	8,507,629,098	28,629,389,952
20	5. Gross profit/(loss) from sale of goods and rendering of services		597,019,490	552,005,954	1,586,307,666	1,659,179,514
21	6. Finance income	19.2	22,489,686,173	22,988,210,084	57,188,955,821	32,642,300,989
22	7. Finance expenses	20	326,692,301	2,684,922,224	651,001,134	2,847,074,286
23	- In which: Interest expense		-	-	35,667,778	-
24	8. Selling expenses		-	-	-	-
25	9. General and administrative expenses	21	8,082,031,698	2,400,365,752	16,650,907,922	8,775,806,389
30	10. Operating profit/(loss)		14,677,981,664	18,454,928,062	41,473,354,431	22,678,599,828
31	11. Other income		-	576,000	-	576,501
32	12. Other expenses		-	-	-	593,849,897
40	13. Other profit/(loss)		-	-	-	(593,273,396)
50	15. Profit/(loss) before tax		14,677,981,664	18,455,504,062	41,473,354,431	22,085,326,432
51	16. Current corporate income tax expense	23.2	(790,328,184)	(347,782,579)	963,512,045	241,478,843
52	17. Deferred income tax income/(expense)	23.3	-	-	-	(228,364,513)
60	18. Net profit/(loss) after tax		15,468,309,848	18,803,286,641	40,509,842,386	22,072,212,102



Nguyen Thi Thu Hong  
Preparer



Tran Anh Phuong  
Chief Accountant




Nguyen Van Khai  
Deputy General Director

13 October 2014

INTERIM SEPARATE CASH FLOW STATEMENT  
for the nine-month period ended 30 September 2014

VND

Code	ITEMS	Notes	For the nine-month period ended 30 September 2014	For the nine-month period ended 30 September 2013
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>41,473,354,431</b>	<b>22,085,326,432</b>
	Adjustments for:			
02	Depreciation	10	672,511,743	937,911,618
03	Provision (or Reversal)		-	(1,030,511,020)
05	Profit from investing activities	19.2	(45,918,701,382)	(26,851,771,420)
06	Interest expense	20	35,677,778	14,561,556
08	<b>Operating loss before changes in working capital</b>		<b>(3,737,157,430)</b>	<b>(4,844,482,834)</b>
09	Decrease in receivables		16,865,276,168	6,886,006,929
10	Decrease (increase) in inventories		-	3,600,000
11	Increase in payables		(30,931,645,876)	14,736,766,115
12	Increase in prepaid expenses		(178,112,786)	(190,506,171)
13	Interest paid		(35,677,778)	(14,561,556)
14	Corporate income tax paid		-	(241,478,843)
15	Other cash inflows from operating activities		416,882,880	1,507,293,596
16	Other cash outflows from operating activities		(1,993,816,913)	(1,969,614,111)
20	<b>Net cash flows from operating activities</b>		<b>(19,594,251,735)</b>	<b>15,873,023,125</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase of fixed assets and other long-term assets		-	-
23	Payments for purchase of shares in other entities		(505,356,981,235)	-
24	Proceeds from sale of shares in other entities		607,538,520,000	-
25	Payments for investments in other entities		(685,983,838,118)	(247,933,147,426)
26	Proceeds from sale of investments in other entities		-	2,613,719,113
27	Interest and dividends received		32,848,328,150	26,716,724,000
30	<b>Net cash flows used in investing activities</b>		<b>(550,953,971,203)</b>	<b>(218,602,704,313)</b>

INTERIM SEPARATE CASH FLOW STATEMENT (UNAUDITED) (continued)  
for the nine-month period ended 30 September 2014

VND

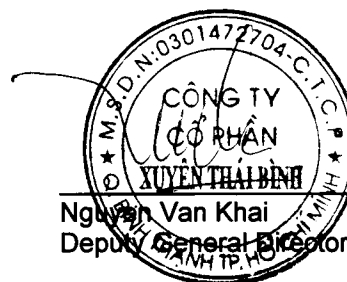
Code	ITEMS	Notes	For the nine-month period ended 30 September 2014	For the nine-month period ended 30 September 2013
	<b>III, CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of shares	18.1	645,389,644,000	202,720,000,000
33	Drawdown of borrowings		-	37,444,000,000
34	Borrowing repaid		(9,500,000,000)	(37,444,000,000)
36	Dividends paid	18.2	(60,410,666,500)	-
<b>40</b>	<b>Net cash flows from (used in) financing activities</b>		<b>575,478,977,500</b>	<b>202,720,000,000</b>
<b>50</b>	<b>Net increase (decrease) in cash and cash equivalents</b>		<b>4,930,754,562</b>	<b>(9,681,188)</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of period</b>		<b>6,280,443,828</b>	<b>3,491,751,947</b>
<b>70</b>	<b>Cash and cash equivalents at end of period</b>	<b>4</b>	<b>11,211,198,390</b>	<b>3,482,070,759</b>



Nguyen Thi Thu Hong  
Preparer



Tran Anh Phuong  
Chief Accountant



Nguyen Van Khai  
Deputy General Director

13 October 2014



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (UNAUDITED) (continued)  
as at and for the nine-month period ended 30 September 2014

## 1. CORPORATE INFORMATION

Pan Pacific Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 0301472704 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 31 August 2005, as amended.

The Company is listed on the Ho Chi Minh City Stock Exchange ("HOSE") in accordance with License No. 244/2010/QD-SDGHCM issued by the HOSE on 18 November 2010.

The current principal activities of the Company are to provide cleaning services and other related services, and to perform financial investments.

The Company's registered office is located at 236/43/2 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. In addition, the Company also has its representative in Hanoi, Vietnam.

The number of the Company's employees as at 30 September 2014 was 16 (31 December 2013: 11).

The Company's corporate structure includes 4 subsidiaries as presented in Note 11.2 of this interim separate financial statements.

## 2. BASIS OF PREPARATION

### 2.1 *Applied accounting standards and system*

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

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

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

The Company is the parent company of the subsidiaries listed in Note 11.2 and it is in the process of completing the consolidated financial statements of the Company and its subsidiaries ("the Group") for the nine-month period ended 30 September 2014 to meet the prevailing regulatory reporting requirements.

Users of these separate financial statements should read them together with the consolidated financial statements of the Group for the nine-month period ended 30 September 2014 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (UNAUDITED) (continued)  
as at and for the nine-month period ended 30 September 2014

**2.2 Applied accounting documentation system**

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

**2.3 Fiscal year**

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

**2.4 Accounting currency**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, cash in 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.

**3.2 Receivables**

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

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

**3.3 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 interim separate income statement as incurred.

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

**3.4 Depreciation**

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

Buildings and structures	5 - 25 years
Means of transportation	5 - 10 years
Office equipment	3 - 5 years

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (UNAUDITED) (continued)  
as at and for the nine-month period ended 30 September 2014

**3.5 Investments in subsidiaries**

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

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

**3.6 Investments in associates**

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

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

**3.7 Investments in securities and other investments**

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

**3.8 Provision for investments**

Provision is made for any diminution in value of investments at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC on 7 December 2009 and Circular No. 89/2013/TT-BTC on 28 September 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the interim separate income statement.

**3.9 Prepaid expenses**

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

**3.10 Borrowing costs**

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

**3.11 Operating lease**

Rentals under operating leases are charged to the separate income statement on a straight-line basis over the term of the lease.

**3.12 Payables and accruals**

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (UNAUDITED) (continued)  
as at and for the nine-month period ended 30 September 2014

**3.13 Provision for severance pay**

The severance pay to employee is accrued at the end of each reporting year for all employees who have more than 12 months in service up to 31 December 2008 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. Commencing 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting year following the average monthly salary of the nine-month period ended 30 September 2014 up to the reporting date. Any changes to the accrued amount will be taken to the interim separate income statement.

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

**3.14 Foreign currency transactions**

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

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

**3.15 Appropriation of net profits**

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

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

- **Financial reserve fund**  
This fund is set aside to protect the Company's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.
- **Investment and development fund**  
This fund is set aside for use in the Company's expansion of its operation or in-depth investments.
- **Bonus and welfare funds**  
This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (UNAUDITED) (continued)  
as at and for the nine-month period ended 30 September 2014

### 3.16 Revenue recognition

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

#### *Rendering of services*

Revenues are recognised upon the completion of the services provided.

#### *Rental income*

Rental income arising from operating leases is accounted for on a straight line basis over the term of the lease.

#### *Interest income*

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

#### *Dividends*

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

### 3.17 Taxation

#### *Current income tax*

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

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

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

#### *Deferred income tax*

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

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

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (UNAUDITED) (continued)  
as at and for the nine-month period ended 30 September 2014

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

- where the deferred income tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred income 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 income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred income tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax assets to be recovered.

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

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

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

- either the same taxable entity;
- or when the Company 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 year in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (UNAUDITED) (continued)  
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### **3.18 Financial instruments**

#### *Financial instruments – initial recognition and presentation*

##### Financial assets

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

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

The Company’s financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments.

##### Financial liabilities

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

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

The Company’s financial liabilities include trade, other payables and loan.

#### *Financial instruments – subsequent re-measurement*

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

##### *Offsetting of financial instruments*

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (UNAUDITED) (continued)  
as at and for the nine-month period ended 30 September 2014

## 4. CASH AND CASH EQUIVALENTS

	<i>Ending balance</i>	<i>Beginning balance</i>	VND
Cash on hand	57,286,907	60,408,907	
Cash in banks	1,219,020,712	6,178,874,921	
Cash equivalents	9,934,890,771	41,160,000	
<b>TOTAL</b>	<b><u>11,211,198,390</u></b>	<b><u>6,280,443,828</u></b>	

## 5. TRADE RECEIVABLES

	<i>Ending balance</i>	<i>Beginning balance</i>	VND
Related parties (Note 24)	340,005,490	12,610,953,445	
Third parties	1,100,783,734	5,804,383,339	
<b>TOTAL</b>	<b><u>1,440,789,224</u></b>	<b><u>18,415,336,784</u></b>	

## 6. ADVANCES TO SUPPLIERS

	<i>Ending balance</i>	<i>Beginning balance</i>	VND
Related parties (Note 24)	50,207,816,570	50,130,000,000	
Third parties	264,277,744	43,423,871	
<b>TOTAL</b>	<b><u>50,472,094,314</u></b>	<b><u>50,173,423,871</u></b>	

## 7. OTHER RECEIVABLES

	<i>Ending balance</i>	<i>Beginning balance</i>	VND
Dividends receivables	7,500,000,000	-	
Others	61,915,000	238,155,149	
<b>TOTAL</b>	<b><u>7,561,915,000</u></b>	<b><u>238,155,149</u></b>	
<i>In which:</i>			
- Related parties (Note 24)	7,500,000,000	-	
- Third parties	61,915,000	238,155,149	

## 8. SHORT-TERM PREPAID

	<i>Beginning balance</i>	Increase for the period	Charges for the period	<i>Ending balance</i>	VND
Tool and equipment	2,439,271	9,881,818	(3,372,554)	8,948,535	
Other service fee	53,400,000	635,321,000	(664,721,000)	24,000,000	
<b>TOTAL</b>	<b><u>55,839,271</u></b>	<b><u>645,202,818</u></b>	<b><u>(668,093,554)</u></b>	<b><u>32,948,535</u></b>	

## 9. OTHER CURRENT ASSETS

	<i>Ending balance</i>	<i>Beginning balance</i>	VND
Short-term deposits	602,950,000	944,582,880	
Advances	27,062,897	199,897	
<b>TOTAL</b>	<b><u>630,012,897</u></b>	<b><u>944,782,777</u></b>	



NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (UNAUDITED) (continued)  
as at and for the nine-month period ended 30 September 2014

## 10. TANGIBLE FIXED ASSETS

	VND			
	<i>Buildings and structures</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Total</i>
<b>Cost:</b>				
Beginning balance	13,688,708,885	1,660,440,540	347,882,150	15,697,031,575
Purchased	-	-	-	-
Other additions	-	-	-	-
Sold, disposed	-	-	-	-
Transfer to prepaid	-	-	-	-
Ending balance	<b><u>13,688,708,885</u></b>	<b><u>1,660,440,540</u></b>	<b><u>347,882,150</u></b>	<b><u>15,697,031,575</u></b>
<i>In which:</i>				
Fully depreciated	3,066,784,752	386,370,000	347,882,150	3,801,036,902
<b>Accumulated depreciation:</b>				
Beginning balance	5,302,780,303	1,232,900,592	342,642,516	6,878,323,411
Sold, disposed	-	-	-	-
Transfer to prepaid	-	-	-	-
Charges for the period	570,660,687	96,611,422	5,239,634	672,511,743
Ending balance	<b><u>5,873,440,990</u></b>	<b><u>1,329,512,014</u></b>	<b><u>347,882,150</u></b>	<b><u>7,550,835,154</u></b>
<b>Net carrying amount:</b>				
Beginning balance	<u>8,385,928,582</u>	<u>427,539,948</u>	<u>5,239,634</u>	<u>8,818,708,164</u>
Ending balance	<b><u>7,815,267,895</u></b>	<b><u>330,928,526</u></b>	<u>-</u>	<b><u>8,146,196,421</u></b>

## 11. INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term investments (Note 11.1)</b>		
Marketable equity securities	-	149,828,958,329
Co-operation contract	32,500,000,000	-
<b>NET</b>	<b><u>32,500,000,000</u></b>	<b><u>149,828,958,329</u></b>
<b>Long-term investments</b>		
Investments in subsidiaries (Note 11.2)	964,666,939,266	291,933,754,707
Investments in associates (Note 11.3)	33,968,446,355	-
Other long-term investments	-	-
<b>TOTAL</b>	<b><u>998,635,385,621</u></b>	<b><u>291,933,754,707</u></b>
Provision for other long-term investments	-	-
<b>NET</b>	<b><u>998,635,385,621</u></b>	<b><u>291,933,754,707</u></b>