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**SONADEZI LONG THANH
SHAREHOLDING COMPANY**

REVIEWED FINANCIAL STATEMENTS
For the first six month period ended 30 June 2014

M.S.O.A.
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SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

THE MANAGEMENT'S REPORT

The Management of Sonadezi Long Thanh Shareholding Company (hereinafter referred to as "the Company") hereby presents its report and the reviewed financial statements of the Company for the first six month period ended 30 June 2014.

1. BACKGROUND

Sonadezi Long Thanh Shareholding Company has been incorporated in accordance with the Business Registration Certificate No. 4703000058 dated 18 August 2003 granted by Dong Nai Province's Department of Planning and Investment and other amended certificates thereafter as below:

- Business Registration Certificate No. 4703000058 firstly amended on 30 March 2005 to increase the charter capital;
- Business Registration Certificate No. 4703000058 secondly amended on 20 February 2006 to increase the charter capital and expand the principal activities;
- Business Registration Certificate No. 4703000058 thirdly amended on 06 September 2006 to change the legal representative;
- Business Registration Certificate No. 4703000058 fourthly amended on 14 November 2007 to increase the charter capital, change the capital structure of the founders and the legal representative;
- Business Registration Certificate No. 4703000058 fifthly amended on 11 March 2009 to expand the principal activities;
- Business Registration Certificate No. 3600649539 sixthly amended on 29 May 2009 to change the legal representative;
- Business Registration Certificate No. 3600649539 seventhly amended on 19 June 2009 to change the founders;
- Business Registration Certificate No. 3600649539 eighthly amended on 04 February 2010 to expand the principal activities;
- Business Registration Certificate No. 3600649539 ninthly amended on 19 May 2010 to increase the charter capital and the founders' list;
- Business Registration Certificate No. 3600649539 tenthly amended 12 May 2011 to the principal activities.
- Business Registration Certificate No. 3600649539 eleventh amended on 25 September 2013 to change the legal representative.

The charter capital as stipulated in the Business Registration Certificate is VND 200,000,000,000.

2. MEMBERS OF THE BOARD OF DIRECTORS, THE CONTROL COMMITTEE, AND THE MANAGEMENT

Members of the Board of Directors during the first six month period ended 30 June 2014 and on the date of this report include:

<i>Full name</i>	<i>Position</i>	<i>Note</i>
Mr. Phan Dinh Tham	Chairperson	
Ms. Nguyen Thi Thu Huong	Vice Chairperson	
Mr. Nguyen Van Tuan	Member	
Mr. Nguyen Van Thang	Member	Resigned wef 28 April 2014
Mr. Pham Anh Tuan	Member	
Ms. Huynh Hoang Oanh	Member	
Mr. Do Xuan Tam	Member	Resigned wef 28 April 2014
Mr. Pham Quoc Chi	Member	Appointed wef 28 April 2014
Ms. Le Thi Bich Loan	Member	Appointed wef 28 April 2014

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

Members of the Control Committee during the first six month period ended 30 June 2014 and on the date of this report include:

<i>Full name</i>	<i>Position</i>	
Ms. Le Thi Le Hang	Head	
Ms. Nguyen Thi Thu Van	Member	
Ms. Nguyen Thi Ngoc Thuy	Member	Resigned wef 28 April 2014
Ms. Luu Thi Thuy Van	Member	Appointed wef 28 April 2014

Members of the Management during the first six month period ended 30 June 2014 and on the date of this report include:

<i>Full name</i>	<i>Position</i>
Mr. Nguyen Van Tuan	General Director
Ms. Huynh Hoang Oanh	Vice General Director
Mr. Pham Anh Tuan	Vice General Director

3. RESPONSIBILITY OF THE MANAGEMENT

The Company's Management is responsible for preparing the financial statements of each year which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows for the year. In preparing these financial statements, the Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any departures that need to be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement the internal control system effectively for a fair preparation and presentation of the financial statements so as to mitigate error or fraud.

The Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam. The Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management confirm that the Company has complied with the above requirements in preparing these financial statements.

4. AUDITOR

DTL Auditing Company Ltd., member of RSM International, have expressed the willingness to accept re-appointment.

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

5. STATEMENT BY THE MANAGEMENT

In the Management's opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2014 and the results of its operations and its cash flows for the first six month period then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam.

Long Thanh, 11 August 2014

For and on behalf of the Management

GENERAL DIRECTOR



NGUYEN VAN TUAN





No: 15.106/BCSX-2014.

**AUDITOR'S REPORT ON
RESULTS OF FINANCIAL STATEMENTS REVIEW**

**To: Members of the Board of Directors
Members of the Management
SONADEZI LONG THANH SHAREHOLDING COMPANY**

We have reviewed the accompanying statement of financial position of Sonadezi Long Thanh Shareholding Company (hereinafter referred to as "the Company") at 30 June 2014 and the related income statement and statement of cash flows for the first six month period ended 30 June 2014 as set out from page 05 to page 39. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these statements based on our review.

We conducted our review in accordance with the Vietnamese Standards on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with Vietnamese Accounting Standards and System and relevant legislation.

Ho Chi Minh City, 11 August 2014
DTL AUDITING COMPANY LTD

~~pp.~~ GENERAL DIRECTOR
VICE GENERAL DIRECTOR



TANG QUOC THANG

Audit Practice Registration Certificate
No. 0075-2013-026-1

AUDITOR

LO NGUYEN THUY PHUONG

Audit Practice Registration Certificate
No. 1191-2013-026-1

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

STATEMENT OF FINANCIAL POSITION

At 30 June 2014

Expressed in VND

ASSETS	Code	Notes	Ending balance	Beginning balance
A. CURRENT ASSETS	100		507,655,535,769	401,909,061,384
I. Cash and cash equivalents	110	5.1	97,185,752,775	120,248,844,751
1. Cash	111		27,185,752,775	18,248,844,751
2. Cash equivalents	112		70,000,000,000	102,000,000,000
II. Short-term investments	120	5.2	278,500,000,000	149,500,000,000
1. Short-term investments	121		278,500,000,000	149,500,000,000
2. Provision for diminution in value of short-term investments	129		-	-
III. Account receivables	130	5.3	42,659,622,478	38,642,339,159
1. Trade receivables	131		27,863,351,430	23,586,219,895
2. Advances to suppliers	132		10,050,342,776	4,476,463,004
3. Intra-company short-term receivables	133		-	-
4. Construction contract in progress receivables	134		-	-
5. Other receivables	135		6,524,896,903	12,063,714,928
6. Provision for doubtful debts	139		(1,778,968,631)	(1,484,058,668)
IV. Inventories	140	5.4	80,975,547,211	85,159,102,651
1. Inventories	141		80,975,547,211	85,159,102,651
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		8,334,613,305	8,358,774,823
1. Short-term prepaid expenses	151	5.5	3,383,632,845	580,744,332
2. Value added tax deductibles	152		3,708,295,053	7,060,096,730
3. Tax and other receivables from the State Budget	154		1,121,685,407	607,910,761
4. Other current assets	158		121,000,000	110,023,000

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SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

STATEMENT OF FINANCIAL POSITION

At 30 June 2014

Expressed in VND

ASSETS	Code	Notes	Ending balance	Beginning balance
B. NON-CURRENT ASSETS	200		731,238,246,730	741,359,349,976
I. Long-term receivables	210		14,294,000,000	15,806,000,000
1. Long-term trade receivables	211	5.6	14,294,000,000	15,806,000,000
2. Business capital in dependent units	212		-	-
3. Intra-company long-term receivables	213		-	-
4. Other long-term receivables	218		-	-
5. Provision for doubtful long-term receivables	219		-	-
II. Fixed assets	220		187,877,961,294	193,680,965,937
1. Tangible fixed assets	221	5.7	181,546,953,444	180,886,737,763
+ Cost	222		372,186,933,861	358,570,901,086
+ Accumulated depreciation	223		(190,639,980,417)	(177,684,163,323)
2. Finance lease assets	224		-	-
+ Cost	225		-	-
+ Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	5.8	82,552,000	116,724,729
+ Cost	228		837,631,229	837,631,229
+ Accumulated amortisation	229		(755,079,229)	(720,906,500)
4. Construction in progress	230	5.9	6,248,455,850	12,677,503,445
III. Investment property	240	5.10	130,826,138,946	131,208,038,617
+ Cost	241		210,086,350,946	197,295,999,617
+ Accumulated depreciation	242		(79,260,212,000)	(66,087,961,000)
IV. Long term investments	250	5.11	190,836,400,000	190,836,400,000
1. Investments in subsidiaries	251		-	-
2. Investments in associates, and joint-ventures	252		24,500,000,000	24,500,000,000
3. Other long-term investments	258		166,336,400,000	166,336,400,000
4. Provision for diminution in value of long-term inve	259		-	-
V. Other long-term assets	260		207,403,746,490	209,827,945,422
1. Long-term prepaid expenses	261	5.12	207,403,746,490	209,827,945,422
2. Deferred income tax assets	262		-	-
3. Other long-term assets	268		-	-
TOTAL ASSETS	270		1,238,893,782,499	1,143,268,411,360

The accompanying notes are an integral part of the financial statements

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

STATEMENT OF FINANCIAL POSITION

At 30 June 2014

Expressed in VND

RESOURCES	Code	Notes	Ending balance	Beginning balance
A. LIABILITIES	300		780,515,464,814	672,691,273,029
I. Current liabilities	310		82,765,431,986	77,562,167,830
1. Short-term debts and loans	311		-	-
2. Trade payables	312	5.13	9,391,027,789	39,008,277,486
3. Advances from customers	313	5.13	23,608,117,913	108,275,859
4. Taxes and amounts payable to the State Budget	314	5.14	7,857,943,503	117,976,614
5. Payables to employees	315		-	1,844,429,410
6. Accrued expenses	316		2,778,028,364	911,067,360
7. Intra-company payables	317		-	-
8. Construction contract in progress payables	318		-	-
9. Other short-term payables	319	5.15	28,929,421,303	30,828,367,375
10. Provision for short-term payables	320		-	-
11. Bonus and welfare fund	323	5.16	10,200,893,114	4,743,773,726
II. Long term liabilities	330		697,750,032,828	595,129,105,199
1. Long-term trade payables	331		-	-
2. Intra-company long-term payables	332		-	-
3. Other long-term payables	333	5.17	123,153,536,190	127,795,188,828
4. Long-term debts and loans	334	5.18	12,200,000,000	9,500,000,000
5. Deferred income tax liabilities	335		-	-
6. Provision for severance allowance	336		-	-
7. Provision for long-term payables	337		-	-
8. Unrealised revenue	338	5.19	562,396,496,638	457,833,916,371
9. Science and technology development fund	339		-	-
B. OWNER'S EQUITY	400		458,378,317,685	470,577,138,331
I. Equity	410	5.20	458,378,317,685	470,577,138,331
1. Share capital	411		200,000,000,000	200,000,000,000
2. Capital premium	412		4,000,619,235	4,000,619,235
3. Other contributed capital	413		-	-
4. Treasury shares	414		(22,812,874,949)	(22,812,874,949)
5. Asset revaluation surplus	415		-	-
6. Foreign exchange difference	416		-	-
7. Investment and development fund	417		55,622,258,635	52,861,919,655
8. Financial reserve fund	418		22,652,523,207	21,075,186,647
9. Other funds within owners' equity	419		-	-
10. Undistributed earnings	420		198,915,791,557	215,452,287,743
11. Capital expenditure fund	421		-	-
12. Enterprise reorganization support fund	422		-	-
II. Other capital, funds	430		-	-
1. Subsidy funds	432		-	-
2. Subsidy funds invested in fixed assets	433		-	-
TOTAL RESOURCES	440		1,238,893,782,499	1,143,268,411,360

The accompanying notes are an integral part of the financial statements

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

STATEMENT OF FINANCIAL POSITION

At 30 June 2014

OFF STATEMENT OF FINANCIAL POSITION ITEMS	Notes	Ending balance	Beginning balance
1. Assets under operating lease		-	-
2. Goods held under trust or for processing		-	-
3. Goods held by the company on consignment		-	-
4. Bad debts written off		-	-
5. Foreign currencies		-	-
+ USD		210.85	31,285.51
6. Budget for non-production activities and projects		-	-

Long Thanh, 17 July 2014

PREPARED

NGUYEN THI NGOC TRANG**CHIEF ACCOUNTANT**

PHAN THUY DOAN**GENERAL DIRECTOR**


Stamp text: S.Đ.Đ. K.D. 36000/14, CÔNG TY CỔ PHẦN SONADEZI LONG THANH, H. LONG THÀNH, Đ. NGAI

NGUYEN VAN TUAN

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

INCOME STATEMENT

For the first six month period ended 30 June 2014

Expressed in VND

ITEMS	Code	Notes	Current period	Previous period
1. Revenue	01	6.1	81,959,508,037	74,310,007,255
2. Deductions	02	6.1	-	1,472,499,090
3. Net revenue	10	6.1	81,959,508,037	72,837,508,165
4. Cost of goods sold	11	6.2	63,986,209,308	55,333,964,974
5. Gross profit	20		17,973,298,729	17,503,543,191
6. Financial income	21	6.3	15,466,659,582	16,385,272,273
7. Financial expense	22	6.4	760,912,802	200,000,000
<i>in which, interest expense</i>	23		360,600,000	-
8. Selling expense	24	6.5	598,125,754	916,785,322
9. General and administration expense	25	6.6	6,512,543,579	10,181,367,557
10. Operating profit/(loss)	30		25,568,376,176	22,590,662,585
11. Other income	31	6.7	753,425,776	1,670,274,800
12. Other expense	32	6.8	405,945,479	319,185,425
13. Net other income/(loss)	40		347,480,297	1,351,089,375
14. Accounting profit/(loss) before tax	50		25,915,856,473	23,941,751,960
15. Current corporate income tax expense	51	6.9	3,577,731,898	4,743,981,406
16. Deferred corporate income tax expense	52		-	-
17. Net profit/(loss) after tax	60		22,338,124,575	19,197,770,554
18. Earnings per share	70	5.20	1,228	1,055

Long Thanh, 17 July 2014 *Uosul*

PREPARED



NGUYEN THI NGOC TRANG

CHIEF ACCOUNTANT



PHAN THUY DOAN

GENERAL DIRECTOR




NGUYEN VAN TUAN

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

CASH FLOW STATEMENT (indirect method)

For the first six month period ended 30 June 2014

Expressed in VND

ITEMS	Code	Notes	Current period	Previous period
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit /(loss) before taxes	01		25,915,856,473	23,941,751,960
2. Adjustment for:				
Depreciation and amortization	02		18,868,083,729	16,902,524,643
Provisions	03		294,909,963	-
Unrealized foreign exchange gains/losses	04		-	-
Gains/losses from investment	05		(15,466,176,714)	(16,243,689,364)
Interest expense	06		360,600,000	-
3. Operating profit /(loss) before adjustments to working capital	08		29,973,273,451	24,600,587,239
Increase or decrease in accounts receivable	09		(2,914,345,251)	(1,030,336,506)
Increase or decrease in inventory	10		4,183,555,440	2,296,874,806
Increase or decrease in accounts payable (excluding interest expenses payable and corporate income tax payable)	11		103,726,254,976	16,036,343,866
Increase or decrease prepaid expenses	12		1,524,303,455	(26,911,296,671)
Interest paid	13		(339,600,000)	-
Corporate income tax paid	14		(4,069,032,357)	(5,014,755,604)
Other cash inflows from operating activities	15		13,942,720,020	924,000,000
Other cash outflows from operating activities	16		(15,439,158,623)	(4,253,148,899)
Net cash from operating activities	20		130,587,971,111	6,648,268,231
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchase and construction of fixed assets and other long-term assets	21		(19,985,896,690)	(22,829,917,533)
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	-
3. Loans to other entities and payments for purchase of debt instruments of other entities	23		(218,500,000,000)	(131,500,000,000)
4. Repayments from borrowers and proceeds from sales of debts instruments of other entities	24		89,500,000,000	110,000,000,000
5. Investments in other entities	25		-	-
6. Proceeds from sales of investments in other entities	26		-	-
7. Interest and dividends received	27		18,068,045,603	15,213,657,273
Net cash from investing activities	30		(130,917,851,087)	(29,116,260,260)

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SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

CASH FLOW STATEMENT (indirect method)

For the first six month period ended 30 June 2014

Expressed in VND

ITEMS	Code	Notes	Current period	Previous period
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issuing stocks and capital contribution from owners	31		-	-
2. Capital redemption, payments for shares repurchases	32		-	-
3. Proceeds from borrowings	33		4,000,000,000	-
4. Repayment of borrowings	34		(1,300,000,000)	-
5. Finance lease principal paid	35		-	-
6. Dividends paid	36		(25,433,212,000)	(32,689,264,000)
Net cash from financing activities	40		(22,733,212,000)	(32,689,264,000)
Net increase/(decrease) in cash (20+30+40)	50		(23,063,091,976)	(55,157,256,029)
Cash and cash equivalents at beginning of year/(period)	60		120,248,844,751	176,914,855,173
Impact of exchange rate fluctuation	61		-	-
Cash and cash equivalents at end of year/(period) (50+60+61)	70		97,185,752,775	121,757,599,144

PREPARED



NGUYEN THI NGOC TRANG

CHIEF ACCOUNTANT



PHAN THUY DOAN

Long Thanh, 17 July 2014

GENERAL DIRECTOR



NGUYEN VAN TUAN

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

NOTES TO THE FINANCIAL STATEMENTS

For the first six month period ended 30 June 2014

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

1.1. Structure of ownership

Sonadezi Long Thanh Shareholding Company (hereinafter referred to as "the Company") has been incorporated in accordance with the Business Registration Certificate No. 4703000058 dated 18 August 2003 granted by Dong Nai Province's Department of Planning and Investment and other amended certificates thereafter as below:

- Business Registration Certificate No. 4703000058 firstly amended on 30 March 2005 to increase the charter capital.
- Business Registration Certificate No. 4703000058 secondly amended on 20 February 2006 to increase the charter capital and to expand the principal activities;
- Business Registration Certificate No. 4703000058 thirdly amended on 06 September 2006 to change the legal representative;
- Business Registration Certificate No. 4703000058 fourthly amended on 14 November 2007 to increase the charter capital, to change the capital structure of the founders and the legal representative;
- Business Registration Certificate No. 4703000058 fifthly amended certificate on 11 March 2009 to expand the principal activities;
- Business Registration Certificate No. 3600649539 sixthly amended on 29 May 2009 to change the legal representative;
- Business Registration Certificate No. 3600649539 seventhly amended on 19 June 2009 to change the founders;
- Business Registration Certificate No. 3600649539 eighthly amended on 04 February 2010 to expand the principal activities;
- Business Registration Certificate No. 3600649539 ninthly amended on 19 May 2010 to increase the charter capital and the founders' list;
- Business Registration Certificate No. 3600649539 tenthly amended on 12 May 2011 to expand the principal activities.

The charter capital as stipulated in the Business Registration Certificate is VND 200,000,000,000.

The Company has the following dependent units:

- Sonadezi Long Thanh Real Estate Transaction Floor.
- Branch of Sonadezi Long Thanh Shareholding Company.

1.2. Operating industry and principal activities

According to the Business Registration Certificate, the Company's principal activities include:

- Consulting, brokerage, real estate auction, land use right auction. Real estate brokerage services, real estate transaction floor, real estate consulting, real estate management;
- Warehouses and custody of goods;
- Installation of drainage systems, central heating systems and air conditioning systems;
- Activities of amusement parks and theme parks: trading entertainment area
- Construction improvement;
- Exploitation, processing and supply of water;
- Recycling scrap;
- Other civil engineering construction;
- Toxic waste collection;
- Architectural activities and related technical consulting: architecture design of industrial and civil projects; design of industrial and civil projects; design of urban technical projects;
- Non-toxic waste collection;
- Construction of houses;
- Demolition;
- Pollution treatment and other waste control activities;

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

- Travel agent;
- Installation of other construction systems;
- Wholesaling of solid fuel; liquid fuel; gas and related products: Wholesaling of petrol, liquefied petroleum gas;
- Supporting services related to promotion and organisation of tourist tours;
- Toxic waste treatment and destruction;
- Trading in properties and land use rights of freeholders and leaseholders;
- Construction of railways and roads;
- Other construction activities;
- Transportation of cargos by road;
- Construction of public projects;
- Management consultancy service
- Installation of electrical systems;
- Site clearance;
- Short-term stay service: hotels, guest houses;
- Drainage and waste treatment;
- Non – toxic waste treatment and destruction;
- Retailing of engine fuel in specialized stores;
- Operating tourist tours.

2. FISCAL YEAR, REPORTING CURRENCY

2.1. Fiscal year

The Company's fiscal year is from 01 January to 31 December, annually.

2.2. Reporting currency

The Company maintains its accounting records in Vietnamese Dong (VND).

2.3. Accounting convention

The accompanying financial statements, expressed in VND, are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing accounting regulations in Vietnam.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

3. ACCOUNTING STANDARDS, ACCOUNTING SYSTEM

3.1. Accounting standards, accounting system

The Company has adopted Vietnamese Accounting Standards and System.

3.2. Statement of compliance with Vietnamese Accounting Standards

The Company's financial statements for the first six month period ended 30 June 2014 are prepared in accordance with Vietnamese Accounting Standards and System.

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SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Foreign currency transactions

Transactions in foreign currencies are recorded, on initial recognition, in the reporting currency, by applying to the foreign currency amount the spot exchange rate between the reporting currency and the foreign currency at the date of the transaction. The exchange differences arising on the settlement of monetary items are recognised in profit or loss in the period in which they arise. At the end of the reporting period, foreign currency monetary items excluding advances to suppliers, prepaid expenses, and unearned revenues, which are denominated in foreign currency, are reported using the closing rate and exchange differences resulting from the reporting after offset are recognised in profit or loss in the period in which they arise.

4.2. Cash and Cash equivalents

Cash and cash equivalents comprise cash in hand and at bank, cash in transit, savings, collateral, deposits, and short-term investments for a period not exceeding 3 months or highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.3. Trade receivables and other receivables

- Recognition method

Trade receivables and other receivables are stated at their expected collectible value.

- Provision for doubtful debts

Provisions for doubtful debts are recognised for customer accounts past due and for customer accounts where circumstances indicate that these might not be recoverable. The provision for doubtful debts is recognised in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by Ministry of Finance.

Difference between the required balance and the existing balance of provision for doubtful debts is recorded as a general and administrative expense in the income statement.

4.4. Inventories

- Inventory measurement

Inventories are measured at the lower of cost and net realisable value.

The costs of inventories comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition.

The costs of purchase comprise the purchase price, non-reimbursable taxes and duties, and transport, handling and other costs directly attributable to the purchase. Trade discount and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

- Method of determining the closing balance of inventories

The inventories are measured using the specific identification method.

- Method of accounting for inventories

Inventories are recorded under the perpetual inventory method.

- Provision for decline in value of inventories

Where, by the year-end, the net realisable value of inventories is lower than cost, a provision for decline in value of inventories is recognised.

The provision is an excess of the cost of inventories over their net realisable value. The provision is recognized for obsolete, slow-moving and defective inventory items in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by Ministry of Finance.

Difference between the required balance and the existing balance of the provision for decline in value of inventories is included in cost of goods sold in the income statement.

Inventories are written down to net realisable value on an item-by-item basis. For services being rendered, provision is recognised in respect of each service for which a separate selling price will be charged.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

SONADEZI LONG THANH SHAREHOLDING COMPANY

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4.5. Deferred expenses

Deferred expenses represent tools or supplies expenses, land business expenses, short-term and long-term prepaid expenses about land & housing business in industrial park and are reported as short-term or long-term prepaid expenses in the statement of financial position. These expenses are amortised over the period for which the amount are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term deferred expenses, and are amortised to the income statement over the period from 3 to 5 years.

- Tools or supplies;
- Prepaid Sonadezi Chau Duc project expenses;
- Land compensation expenses of Long Thanh Industrial Zone.

4.6. Tangible fixed assets

- Tangible fixed asset recognition

Tangible fixed assets are initially recognised at cost. The cost of purchased tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to their working condition and location for its intended use.

The costs of tangible fixed assets constructed by contractors are the finally accounted cost of the constructions, other directly related expenses and registration fee (if any).

The costs of self-made and self-constructed tangible fixed assets includes the construction cost, manufacturing cost actually incurred plus installation and test run costs.

- Depreciation and amortisation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives

The estimated useful lives are as follows:

+ Buildings, structures	05 - 25 years
+ Machinery and equipment	03 - 12 years
+ Vehicles	06 - 07 years
+ Management equipment	03 - 04 years
+ Other fixed assets	04 years

4.7. Intangible fixed assets

Intangible fixed assets are initially recognised at cost. The cost of an intangible fixed asset is the total amount of expense incurred by the Company to acquire an asset at the time the asset is put into operation for its intended use, as follows:

Computer Software

Accounting software is not an indispensable component of hardware and recognised as an intangible asset and depreciated over the useful life.

The estimated useful lives are as follows:

Computer software	05 years
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4.8. Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4.9. Investment property

- Investment property recognition

Investment properties are measured initially at cost. The cost of an investment property is the amount of cash or cash equivalents paid or the fair value of other considerations given to acquire an asset at the time of its acquisition or construction. The costs include initial transaction charges.

- Investment property depreciation

The costs of investment properties are depreciated on a straight-line method.

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The estimated useful lives are as follows:

Buildings, structures 07 - 15 years

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

4.10. Investments in subsidiaries and associates

- Investments in subsidiaries and associates are accounted for under the cost method.
- Other short-term and long-term investments are recorded at cost.
- Method of making provisions for financial investment losses:
 - + For investments in securities: Provision for diminution in value of investments in securities is recognised in accordance with Circular No.228/2009/TT-BTC dated 07 December 2009 (Circular 228) and Circular No. 89/2013/TT-BTC dated 28 June 2013 modifying Circular 228 issued by Ministry of Finance which allow provision to be recognised for freely traded securities in case whose book value is higher than the market price as at the date of the statement of financial position.
 - + For long-term investments: Provision for diminution in value of long-term investments is recognised in accordance with Circular No.228/2009/TT-BTC dated 07 December 2009 (Circular 228) and Circular No. 89/2013/TT-BTC dated 28 June 2013 modifying Circular 228 issued by Ministry of Finance which allow provision to be recognised for investments in economic institutions that have suffered losses (unless losses according to the business plan before initial investment) with a maximum provision equal to the amount of invested capital for each investment.

4.11. Accrued expenses and provisions

- Accrued expenses are recognised based on information available at the year-end and estimates by past experience.
- Accrued investment expenses of Long Thanh Industrial Zone are accrued correspondingly to land lease revenue that recorded in the previous years. The investment expenses are accrued based on the area of leased land and the estimated unit price of VND 158,341/m² and adjusted in accordance with the actual investment expense.
- A provision shall be recognised when: the Company has a present legal or constructive obligation as a result of a past event; a reliable estimate can be made of the amount of the obligation; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions shall not be recognised for future operating losses. Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

4.12. Equity

- The owners' equity is recorded when contributed.
- Treasury share recognition and presentation.

Treasury shares are recognised at purchase cost and presented in the statement of financial position as a deduction from equity.

- Dividend recognition

Dividend is recognised as a liability at the date of declaring dividend.

- Principles of creating reserves from profit after tax: the funds are created and utilised in accordance with the decision of the Annual General Meeting of shareholders.
- Net profit after income tax can be distributed to shareholders after the distribution is passed by the Annual General Meeting of shareholders and reserve funds are created in accordance with the Company's Charter and legal regulations in Vietnam.

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4.13. Revenue recognition

- Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.
- Revenue of a transaction involving the rendering of services is recognised when the outcome of this transaction can be estimated reliably. When a transaction involving the rendering of services is attributable to several periods, each period's revenue is recognised by reference to the stage of completion at the end of the reporting period.
- Revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in revenue are recognised to expense or amortised suitable over the term of the relevant lease with the revenue from operating leases.
- Revenue from transferring land use rights of plot of land which was built the infrastructure are recognised when completely the infrastructure and the plot of land are handed over customers.
- Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.
- Dividend income from investments is recognised when the Company's right to receive payment has been established.
- Revenue from selling short-term and long-term investments is recognised in the income statement when the Company has transferred the majority of risks and benefits associated with the ownership to the buyer. The majority of risks and benefits associated with the ownership is transferred to the buyer when the transaction is completed (for listed securities) or when completing the asset sale contract (for unlisted securities).

4.14. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders, before appropriation to bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares bought back by the Company and held as treasury shares.

4.15. Taxation

- Corporate Income Tax
 - + Principles and recognition of current corporate income tax expense: Current corporate tax expense is defined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year of 22%.
 - + Principles and recognition of deferred corporate income tax expense: Deferred corporate tax expense is defined on the basis of the deductible temporary differences, taxable temporary differences and the estimated CIT rate that will be applied for the years that assets and liabilities will be recovered, and the tax rates using the tax rates (and tax laws) that have been effected at the fiscal year - end.
 - + Tax incentive, tax exemption and reduction:
 - * With respect to industrial construction, infrastructure business activities: The Company is obliged to pay CIT at the rate of 10% of taxable income for 15 years since commencing operations. The Company will be exempted from 100% CIT for 4 years when taxable income arises and then a fifty per cent (50%) reduction of the amount of tax payable for 7 subsequent years. The year 2004 was the first year in which the Company was exempted from 100% CIT. The year 2014 is the last year in which the Company is exempted from 50% CIT
 - * With respect to waste treatment activities: By the end of 2006, the Company's 100% CIT exemption under Decree No.164/2003/NĐ-CP dated on 22 December 2003 of the Prime Minister expired. The Company is obliged to pay CIT at the rate of 10% of taxable income for 15 years since commencing its operations and 50% reduction of the amount of tax payable for 9 years since 2007 under Decree No. 24/2007/NĐ-CP dated 14 February 2007 of the Prime Minister.

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* With respect to asset leasing activities in the Industrial Park: The Company's 100% CIT exemption under Decree No.164/2003/NĐ-CP dated on 22 December 2003 of the Prime Minister expired. The Company is obliged to pay CIT at the rate of 20% of taxable income for 10 years since commencing its operations and 50% reduction of the amount of tax payable for 6 years since 2007 under Decree No. 24/2007/NĐ-CP dated on 14 February 2007 of the Prime Minister.

▪ Value Added Tax

The goods sold and services rendered by the Company are subject to value added tax at the following rates:

+ Water supplying service	5%
+ Waste water service	10%
+ Leasing service	10%
+ Other services	10%

▪ Other taxes: applicable in accordance with the prevailing tax law in Vietnam.

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the financial statements can be amended in accordance with the Tax Department's final assessment

4.16. Financial instruments

▪ Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash and short-term deposits, trade and other receivables, loans, loans and short-term and long-term finance investments.

Financial liabilities

At the date of initial recognition financial liabilities are recognised at cost net of transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Company comprise trade payables and other payables, debts and borrowings.

▪ Re-measurement after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

4.17. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE STATEMENT OF FINANCIAL POSITION

5.1. Cash and cash equivalents

	Ending balance	VND Beginning balance
Cash in hand	13,792,578	28,470,768
Cash at bank	27,171,960,197	18,220,373,983
Cash equivalents	70,000,000,000	102,000,000,000
Total	97,185,752,775	120,248,844,751

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5.2. Short-term investments

Representing time deposits with term more than 3 months

Breakdown of time deposits is as follows:

	Ending balance	VND Beginning balance
Dong Nai Development Investment Fund – Refer to Note 8	50,000,000,000	50,000,000,000

5.3. Account receivables

	Ending balance	VND Beginning balance
Trade receivables	27,863,351,430	23,586,219,895
Advances to suppliers	10,050,342,776	4,476,463,004
Other receivables	6,524,896,903	12,063,714,928
Total short-term receivables	44,438,591,109	40,126,397,827
Provision for doubtful debts	(1,778,968,631)	(1,484,058,668)
Net realisable value of trade receivables and other receivables	42,659,622,478	38,642,339,159

Account receivables arose during the ordinary course of business activities of the Company. Breakdown of trade receivables is as follows:

	Ending balance	VND Beginning balance
Land leasing fee receivable	201,213,104	127,904,070
Management fee receivable	1,862,056,533	1,356,633,663
Warehouse and factory leasing service receivable	2,547,203,986	2,808,303,248
Water supplying fee receivable	3,066,567,014	1,424,591,285
Waste water treatment fee receivable	774,265,133	1,093,902,969
Trading in houses and building plots of land	19,404,345,660	16,774,884,660
Security of ATM fee receivable	7,700,000	-
Total	27,863,351,430	23,586,219,895

In which breakdown of receivables from related parties is as follows – Refer to Note 8:

	Ending balance	VND Beginning balance
Sonadezi An Binh Joint Stock Company	13,146,453	-
Sonadezi Services Joint Stock Company	2,903,037,133	4,143,979,308
Total	2,916,183,586	4,143,979,308

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In which breakdown of advances to related parties is as follows – Refer to Note 8:

	Ending balance	VND Beginning balance
Sonadezi Services Joint Stock Company	80,000,000	-
Dong Nai Construction Joint Stock Company	1,948,235,400	-
Total	2,028,235,400	-

Breakdown of other receivables is as follows:

	Ending balance	VND Beginning balance
Deposit interest receivable	3,440,214,000	6,006,416,000
Dividends receivable	-	375,000,000
Interim CIT payments	136,532,793	159,006,980
Other	2,948,150,110	5,523,291,948
Total	6,524,896,903	12,063,714,928

In which breakdown of other receivables is as follows - Refer to Note 8:

	Ending balance	VND Beginning balance
Interest receivable from Dong Nai Development Investment Fund	441,222,000	420,000,000
Dividends receivable from Sonadezi Services Joint Stock Company	-	375,000,000
Total	441,222,000	795,000,000

5.4. Inventories

	Ending balance	VND Beginning balance
Tools and supplies	59,125,000	82,725,000
Work in progress	80,916,422,211	81,179,549,394
Finished goods	-	3,896,828,257
Total costs	80,975,547,211	85,159,102,651
Provision for decline in value of inventories	-	-
Net realisable value of inventories	80,975,547,211	85,159,102,651

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5.5. Prepaid expenses

	Ending balance	VND Beginning balance
Tools and supplies	42,977,727	54,323,545
Long Thanh Industrial Zone's land trading expense	543,867,321	108,069,990
Administration expense	336,858,000	115,200,000
Housing trading expense	303,150,797	303,150,797
Chau Duc's project expense	2,156,779,000	-
Total	3,383,632,845	580,744,332

5.6. Long – term receivables

Representing receivables associated with housing trading in Trang Bom.

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5.7. Tangible fixed assets

Items						VND
	Buildings, structures	Machinery and equipment	Means of transportations	Management equipment	Other	Total
Cost						
Beginning balance	344,211,603,852	9,190,996,749	2,494,304,546	2,370,286,890	303,709,049	358,570,901,086
Purchase	-	-	-	152,780,000	-	152,780,000
Self-construction	12,673,509,206	789,743,569	-	-	-	13,463,252,775
Ending balance	356,885,113,058	9,980,740,318	2,494,304,546	2,523,066,890	303,709,049	372,186,933,861
Accumulated Depreciation						
Beginning balance	169,446,393,523	4,101,401,377	2,188,910,001	1,643,749,373	303,709,049	177,684,163,323
Depreciation	12,322,445,094	478,540,000	50,900,000	103,932,000	-	12,955,817,094
Ending balance	181,768,838,617	4,579,941,377	2,239,810,001	1,747,681,373	303,709,049	190,639,980,417
Net book value						
Beginning balance	174,765,210,329	5,089,595,372	305,394,545	726,537,517	-	180,886,737,763
Ending balance	175,116,274,441	5,400,798,941	254,494,545	775,385,517	-	181,546,953,444

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 18,755,335,665.

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5.8. Intangible fixed assets

	VND
Items	Computer software
Cost	
Beginning balance	837,631,229
Ending balance	837,631,229
Accumulated amortisation	
Beginning balance	720,906,500
Amortisation	34,172,729
Ending balance	755,079,229
Net book value	
Beginning balance	116,724,729
Ending balance	82,552,000

5.9. Construction in progress

	Ending balance	VND Beginning balance
Long Thanh Industrial Zone	560,810,948	11,463,413,945
Residential area	390,907,272	390,907,272
Construction costs of factories for leasing	398,105,707	182,596,098
Long Thanh Industrial Zone's gas station	4,214,127,109	9,690,000
Long Phuoc Industrial Zone	31,680,278	8,238,750
An Phuoc area	30,167,156	-
Tam An Ecotourism	622,657,380	622,657,380
Total	6,248,455,850	12,677,503,445

5.10. Investment property

	Buildings, structures
Items	
Cost	
Beginning balance	197,295,999,617
Additions	12,798,911,510
Other decreases	(8,560,181)
Ending balance	210,086,350,946
Accumulated depreciation	
Beginning balance	66,087,961,000
Additions	13,172,251,000
Ending balance	79,260,212,000
Net book value	
Beginning balance	131,208,038,617
Ending balance	130,826,138,946

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5.11. Long-term finance investments

	Ending balance	VND Beginning balance
Investments in associates	24,500,000,000	24,500,000,000
Other long-term investments	166,336,400,000	166,336,400,000
Total cost of long-term finance investments	190,836,400,000	190,836,400,000
Provision for diminution in value of long-term investments	-	-
Net value of long-term investments	190,836,400,000	190,836,400,000

Investments in associates are detailed as follows:

	Ending balance		Beginning balance		VND
	Quantity	Value	Quantity	Value	
Sonadezi An Binh Joint Stock Company	700,000	24,500,000,000	700,000	24,500,000,000	

Other long-term investments are detailed as follows:

	Ending balance		Beginning balance		VND
	Quantity	Value	Quantity	Value	
Sonadezi Services Joint Stock Company	250,000	2,500,000,000	250,000	2,500,000,000	
Sonadezi Chau Duc Shareholding Company	10,080,000	100,800,000,000	10,080,000	100,800,000,000	
Sonadezi Long Binh Shareholding Company	2,521,456	63,036,400,000	2,521,456	63,036,400,000	
Total	12,851,456	166,336,400,000	12,851,456	166,336,400,000	

5.12. Long-term prepaid expenses

	Ending balance	VND Beginning balance
Prepaid housing trading expense	147,889,619	404,093,619
Prepaid land trading expense	16,442,830,007	15,693,439,123
Prepaid land compensation expense	17,779,596,539	18,004,654,539
Prepaid factory trading expense	757,484,157	287,069,107
Gas station project	-	1,548,138
Land rental at Chau Duc Industrial Zone	171,411,789,640	174,192,046,840
Long Phuoc project	-	23,441,528
Other	864,156,528	1,221,652,528
Total	207,403,746,490	209,827,945,422

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5.13. Trade payables and advances from customers

	Ending balance	VND Beginning balance
Trade payables	9,391,027,789	39,008,277,486
Advances from customers	23,608,117,913	108,275,859
Total	32,999,145,702	39,116,553,345

Trade payables arose during the ordinary course of business activities of the Company, in which, breakdown of payables to related parties is as follows – Refer to Note 8:

	Ending balance	VND Beginning balance
Sonadezi An Binh Joint Stock Company	650,277,000	1,102,493,508
Sonadezi Services Joint Stock Company	2,563,533,702	3,590,079,025
Sonadezi Chau Duc Shareholding Company	2,878,040,662	11,000,000,000
Dong Nai Traffic Work Joint Stock Company	740,766,821	11,151,597,373
Dong Nai Material And Building Investment Joint Stock Company	-	3,000,000,000
Total	6,832,618,185	29,844,169,906

5.14. Taxes and amounts payable to the State Budget

	Ending balance	VND Beginning balance
Value added tax	7,588,120,103	-
Personal income tax	269,823,400	117,976,614
Total	7,857,943,503	117,976,614

5.15. Other short-term payables

	Ending balance	VND Beginning balance
Trade union dues	-	-
Social, health, unemployment insurance	-	14,622,728
Short-term unrealised revenue	27,139,444,221	26,910,782,577
Short-term deposits	370,000,000	2,182,842,708
Dividend payables	120,043,000	85,995,000
Land compensation payables	78,000,000	78,000,000
Guarantee deposit payables	1,185,804,082	1,538,409,362
Other payables and obligations	36,130,000	17,715,000
Total	28,929,421,303	30,828,367,375

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5.16. Bonus and welfare fund

	VND	
	Current period	Previous period
Beginning balance of the year	4,743,773,726	3,631,938,542
Additions during the year	9,069,685,221	5,941,388,466
Other increase	12,821,000	-
Utilisations during the year	(3,625,386,833)	(1,885,583,413)
Ending balance	10,200,893,114	7,687,743,595

5.17. Other long-term payables

	VND	
	Ending balance	Beginning balance
Land trading expense (*)	105,068,607,657	112,491,835,513
House leasing deposits	273,600,000	273,600,000
Factory leasing deposits	17,811,328,533	15,029,753,315
Total	123,153,536,190	127,795,188,828

(*) Representing accrued respective costs of goods sold against the revenues recorded in the previous years, which were calculated at the estimated unit price and adjusted to the actual investment expense.

5.18. Long-term debts and loans

Representing borrowings from Vietnam Environment Protection Fund under the Credit Contract No. 01-13/TD TT-QMT/LT dated 31 May 2013 with a credit limit of VND 14,000,000,000. The loans were secured by the bank's guarantee letter and subject to a fixed interest rate of 5.4% per year for the whole term of the borrowings.

5.19. Unrealised revenue

Representing unrealized revenue from land leasing

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SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

5.20. Owner's equity**5.20.1. Changes in owner's equity**

	Paid in Capital	Capital surplus	Treasury shares	Investment and development fund	Financial reserve fund	Undistributed earnings	Total
Previous year's beginning balance	200,000,000,000	4,000,619,235	(22,812,874,949)	46,006,471,425	18,955,375,902	267,466,317,711	513,615,909,324
Previous year's profit	-	-	-	-	-	39,433,414,008	39,433,414,008
Distributed to capital expenditure fund	-	-	-	6,855,448,230	2,285,149,410	(9,140,597,640)	-
Distributed to bonus and welfare fund	-	-	-	-	-	(5,941,388,466)	(5,941,388,466)
Dividends declared	-	-	-	-	-	(32,743,620,000)	(32,743,620,000)
Additional cost of goods sold adjusted to actual expenses against revenue recorded previously.	-	-	-	-	-	(43,621,837,870)	(43,621,837,870)
Other decreases	-	-	-	-	(165,338,665)	-	(165,338,665)
Current year ending balance	<u>200,000,000,000</u>	<u>4,000,619,235</u>	<u>(22,812,874,949)</u>	<u>52,861,919,655</u>	<u>21,075,186,647</u>	<u>215,452,287,743</u>	<u>470,577,138,331</u>
Current year's profit	-	-	-	-	-	22,338,124,575	22,338,124,575
Distributed to capital expenditure fund	-	-	-	2,760,338,980	1,577,336,560	(4,337,675,540)	-
Distributed to bonus and welfare fund	-	-	-	-	-	(9,069,685,221)	(9,069,685,221)
Dividends declared	-	-	-	-	-	(25,467,260,000)	(25,467,260,000)
Other decreases	-	-	-	-	-	-	-
Current year ending balance	<u>200,000,000,000</u>	<u>4,000,619,235</u>	<u>(22,812,874,949)</u>	<u>55,622,258,635</u>	<u>22,652,523,207</u>	<u>198,915,791,557</u>	<u>458,378,317,685</u>

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

5.20.2. Shares

	Ending balance	Beginning balance
▪ Authorised shares	20,000,000	20,000,000
▪ Issued share	18,190,900	18,190,900
▪ Treasury share	-	-
▪ Outstanding shares	18,190,900	18,190,900
▪ Par value per outstanding share: VND 10,000 per share.		

5.20.3. Earnings per share

	VND	
	Current period	Previous period
Profit after tax	22,338,124,575	19,197,770,554
Average number of outstanding shares	18,190,900	18,190,900
Earnings per share (EPS)	1,228	1,055

5.20.4. Undistributed earnings

	VND	
	Current period	Previous period
Balance at beginning of year	215,452,287,743	267,466,317,711
Profit after tax	22,338,124,575	19,197,770,554
Distributed to investment and development fund	(2,760,338,980)	(6,855,448,230)
Distributed to financial reserve fund	(1,577,336,560)	(2,285,149,410)
Distributed to bonus and welfare fund	(9,069,685,221)	(5,941,388,466)
Dividends declared	(25,467,260,000)	(32,743,620,000)
Current year ending balance	198,915,791,557	238,838,482,159

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT**6.1. Revenue from selling goods and rendering services**

	VND	
	Current period	Previous period
Revenue from land leasing, management fee	21,212,361,815	20,410,259,861
Revenue from land trading	9,177,587,161	6,678,137,085
Revenue from water supply	18,506,663,100	17,299,550,700
Revenue from waste water treatment	14,098,298,971	13,029,441,647
Revenue from factory leasing	18,922,596,990	16,850,617,962
Other	42,000,000	42,000,000
Sales returns	-	(1,472,499,090)
Net revenue	81,959,508,037	72,837,508,165

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

6.2. Cost of goods sold

	VND	
	Current period	Previous period
Cost of land leasing, management fee	11,999,321,975	11,688,677,410
Cost of new projects	3,239,878,802	1,701,374,000
Cost of land trading	5,298,928,749	3,620,935,340
Cost of water supply	17,706,242,250	15,352,550,750
Cost of waste water treatment	12,210,930,065	11,346,838,572
Cost of factory leasing	13,524,527,834	11,614,088,366
Other	6,379,633	9,500,536
Total	63,986,209,308	55,333,964,974

6.3. Financial income

	VND	
	Current period	Previous period
Deposit interest	9,667,885,914	16,229,780,273
Dividends/profits received	5,798,290,800	-
Gains on unrealized foreign exchange differences	482,868	337,362
Other financial income	-	155,154,638
Total	15,466,659,582	16,385,272,273

6.4. Financial expense

	VND	
	Current period	Previous period
Interest expense	360,600,000	-
Sale discounts	400,000,000	200,000,000
Losses on unrealized foreign exchange differences	312,802	-
Total	760,912,802	200,000,000

6.5. Selling expense

Representing service expenses.

6.6. General and administration expense

	VND	
	Current period	Previous period
Salary expense	3,474,886,412	7,244,033,358
Material cost	540,317,936	591,432,668
Tools or supplies	74,166,818	48,047,563
Depreciation expense	271,319,729	377,206,643
Taxes, fees and charges	54,218,977	25,503,088
Provision expense	294,909,963	-
Service expense	552,324,023	634,197,075
Other	1,250,399,721	1,260,947,162
Total	6,512,543,579	10,181,367,557

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

6.7. Other income

	VND	
	Current period	Previous period
Compensation and penalties	55,295,774	1,273,022,878
Electricity charges receivable of factory leasing	678,130,000	296,924,636
Income from disposal and sale of fixed assets	-	13,909,091
Other income	20,000,002	86,418,195
Total	753,425,776	1,670,274,800

6.8. Other expense

	VND	
	Current period	Previous period
Penalties and compensation of tax	5,493,628	-
Electricity charges payable of factory leasing	389,367,001	298,343,805
Other expense	11,084,850	20,841,620
Total	405,945,479	319,185,425

6.9. Current corporate income tax expense

	VND	
	Current period	Previous period
Accounting profit before tax for the period	25,915,856,473	23,941,751,960
Add: adjustments according to CIT law	423,537,619	199,260,402
Less: adjustments according to CIT law	(313,903,914)	-
Less: profit exempted from CIT	(5,798,290,800)	-
Taxable income from ordinary business activities	20,227,199,378	24,141,012,362
Current CIT rate	22%	25%
Current CIT expense from ordinary business activities	4,449,983,863	6,035,253,090
Effect of lower tax rates applied to certain activities	(615,707,268)	(823,796,211)
Less: income tax exemption according to Decree No.24/2007/NĐ-CP dated 14 February 2007	(256,544,697)	(467,475,473)
Current CIT expense for the period ended 30 June 2014	3,577,731,898	4,743,981,406

The adjustments for the increases (decreases) in the taxable income are mainly non – tax – deductible items as regulated by CIT law.

(The next page is 31)

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

6.10. Production and business costs by elements

	VND	
	Current period	Previous period
Material and package expense	850,770,119	752,174,876
Employee expense	3,474,886,412	7,244,033,358
Depreciation expense	18,868,083,729	16,902,524,643
Service expense	44,486,626,143	38,975,905,238
Provision expense	294,909,963	-
Other	4,288,460,556	3,076,665,163
Total	<u>72,263,736,922</u>	<u>66,951,303,278</u>

7. SEGMENT REPORTING

For management purposes, the Company is organised on a nation – wide basis into the following manufacturing sectors:

- Infrastructure trading of industrial zones (management fee, land use right, space leasing, waste water treatment);
- Trading in houses and plots of land;
- Water supply;
- Factory leasing;
- Other.

(The next page is 32)

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

For the period ended 30 June 2014.

	Infrastructure trading of industrial zones	Trading in houses and building plots of land	Water supply	Factory leasing	Other	Total
Revenue						
External	35,310,660,786	9,177,587,161	18,506,663,100	18,922,596,990	42,000,000	81,959,508,037
Inter-segment	-	-	-	-	-	-
Total	35,310,660,786	9,177,587,161	18,506,663,100	18,922,596,990	42,000,000	81,959,508,037
Segment result	9,480,469,345	3,878,658,412	800,420,850	3,778,129,755	35,620,367	17,973,298,729
Selling expense	143,255,751	139,171,319	75,215,476	240,313,384	169,824	598,125,754
General and administration expense	2,799,523,435	714,169,073	1,468,117,194	1,498,330,681	32,403,196	6,512,543,579
Financial income	-	-	-	-	15,466,659,582	15,466,659,582
Financial expense	-	-	-	-	760,912,802	760,912,802
Other income	-	-	-	-	753,425,776	753,425,776
Other expense	-	-	-	-	405,945,479	405,945,479
Accounting profit before tax for the year	6,537,690,159	3,025,318,020	(742,911,820)	2,039,485,690	15,056,274,424	25,915,856,473
Current corporate income tax expense						3,577,731,898
Deferred corporate income tax expense						-
Profit after corporate income tax						22,338,124,575
Cost of purchasing assets	9,662,055,448	-	-	13,138,924,255	206,388,684	23,007,368,387
Depreciation expense	4,965,780,729	807,144,000	-	13,095,159,000	-	18,868,083,729

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

For the period ended 30 June 2014.

	Infrastructure trading of industrial zones	Trading in houses and building plots of land	Water supply	Factory leasing	Other	Total
Revenue						
External	33,439,701,508	5,205,637,995	17,299,550,700	16,850,617,962	42,000,000	72,837,508,165
Inter-segment	-	-	-	-	-	-
Total	33,439,701,508	5,205,637,995	17,299,550,700	16,850,617,962	42,000,000	72,837,508,165
Segment result	10,404,185,526	1,584,702,655	1,946,999,950	3,535,155,596	32,499,464	17,503,543,191
Selling expense	106,894,227	172,528,355	55,464,573	581,762,673	135,494	916,785,322
General and administration expense	4,635,679,354	710,342,880	2,399,691,149	2,340,246,062	95,408,112	10,181,367,557
Financial income	-	-	-	-	16,385,272,273	16,385,272,273
Financial expense	-	-	-	-	200,000,000	200,000,000
Other income	-	-	-	-	1,670,274,800	1,670,274,800
Other expense	-	-	-	-	319,185,425	319,185,425
Accounting profit before tax for the year	5,661,611,945	701,831,420	(508,155,772)	613,146,861	17,473,317,506	23,941,751,960
Current corporate income tax expense						4,743,981,406
Deferred corporate income tax expense						-
Profit after corporate income tax						19,197,770,554
Cost of purchasing assets	26,249,987,664	235,289,818	-	7,547,890,395	30,460,000	34,063,627,877
Depreciation expense	4,161,600,000	921,512,000	-	11,515,747,000	303,665,643	16,902,524,643

There is no segment reporting according to the geographical area as the operation of the Company is only in Vietnam, so there is no difference in risk and economic benefits which are necessary to be disclosed.

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

8. RELATED PARTIES DISCLOSURES

- According to Vietnam Accounting Standards, the following entities and individuals are determined to be related parties:

<u>Name of related parties</u>	<u>Relationship</u>
1. Sonadezi Corporation	Parent company
2. Dong Nai Development Investment Fund	Founder
3. Sonadezi An Binh Joint Stock Company	Associate
4. Sonadezi Chau Duc Shareholding Company	Associate of Sonadezi Corporation
5. Sonadezi Services Joint Stock Company	Associate of Sonadezi Corporation
6. Dong Nai Construction Joint Stock Company	Associate of Sonadezi Corporation
7. Sonadezi Long Binh Shareholding Company	Fellow subsidiary
8. Dong Nai Water Supply Construction Co., Ltd	Fellow subsidiary
9. Sonadezi College of Technology and Management	Fellow subsidiary
10. Dong Nai Bus Station & Transport Service Joint Stock Company	Fellow subsidiary
11. Dong Nai Port Joint Stock Company	Fellow subsidiary
12. Dong Nai Traffic Work Joint Stock Company	Fellow subsidiary
13. Dong Nai Material And Building Investment Joint Stock Company	Fellow subsidiary
14. Industrial Urban Development Joint Stock Company No 2	Fellow subsidiary
15. Dong Nai Housing Joint Stock Company	Fellow subsidiary
16. Books and School Equipment Joint Stock Company	Fellow subsidiary
17. Dinh Quan Industrial Park Joint Stock Company	Fellow subsidiary
18. Sonadezi Security Services Co., Ltd	Fellow subsidiary

- At the end of the reporting period, the balances with related parties are as follows:

	Ending balance	VND Beginning balance
Short-term investments – Refer to Note 5.2	50,000,000,000	50,000,000,000
Account receivables – Refer to Note 5.3	2,916,183,586	4,143,979,308
Other receivables – Refer to Note 5.3	441,222,000	795,000,000
Advances to supplies – Refer to Note 5.3	2,028,235,400	-
Accounts payable – Refer to Note 5.13	6,832,618,185	29,844,169,906

- Details of important inter-company transactions entered into during the period were as follows:

	Current period	VND Previous period
Sale of goods	281,795,446	413,139,135
Purchase of goods	33,110,101,197	39,936,025,871
Interest income	2,060,889,000	2,084,861,000

- Remuneration of the Board of Directors and salary of the key management personnel:

VND

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

	Current period	Previous period
Remuneration of the Board of Directors	252,000,000	210,000,000
Salary of the General Director	233,300,000	306,060,000
Salary of other key management personnel	401,100,000	525,260,000
Total	886,400,000	1,041,320,000

9. COMMITMENTS UNDER OPERATING LEASES

The Company has leased the land with an area of 4,800,063 m² under the Land Lease Contract No. 12HĐ/TĐ dated 12 January 2004 and the Appendix of Land Lease Contract No.12/PLHĐTĐ dated 16 May 2011. The lease term is 50 years and the land rental is VND 160/m² per year.

On 31 October 2012, Sonadezi Corporation (the parent company) submitted Letter No.937/PTKCN-QTTH to Dong Nai Province People's Committee to request a 15% increase in the land rental after 5 years applicable to the industrial parks under a contract signed with the Ministry of Natural Resources and Environment as approved by the Prime Minister and Letter No.299/SZL-KDĐT dated 20 June 2014 to report adjustments of the land rental according to Decree 142/2005/ND-CP of the Government at Long Thanh Industrial Zone. Currently, the Company recognises 15% additional land rental according to this letter.

	Current period	Previous period
Minimum lease payments under operating leases recognised as an expense during the year	507,846,665	441,605,796

At 30 June 2014, the Company has outstanding commitments under non-cancellable operating leases that fall due as follows:

	Ending balance	Beginning balance
Within one year	1,015,693,331	1,015,693,331
Later than one year but within five years	4,138,950,323	4,062,773,323
Later than five years	64,048,702,662	64,632,726,327
Total	69,203,346,316	69,711,192,981

10. FINANCIAL INSTRUMENTS

▪ Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and equity attributable to equity holders of the Company (comprising capital, reserves and retained earnings).

▪ Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 4.16.

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

- Categories of financial instruments

	VND	
	Carrying amounts	
	30 June 2014	01 January 2014
Financial assets		
Cash and cash equivalents	97,185,752,775	120,248,844,751
Trade & other receivables	46,766,746,909	49,812,869,175
Short term investments	278,500,000,000	149,500,000,000
Long-term investments	190,836,400,000	190,836,400,000
Total	613,288,899,684	510,398,113,926
Financial liabilities		
Borrowings	12,200,000,000	9,500,000,000
Trade & other payables	134,214,498,061	170,620,433,384
Accruals	2,778,028,364	911,067,360
Total	149,192,526,425	181,031,500,744

The Company has not assessed the fair value of its financial assets and liabilities as at the reporting date since there is no comprehensive guidance under Circular 210/2009/TT-BTC dated 06 November 2009 issued by Ministry of Finance (Circular 210) and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of IFRS on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

- Financial risk management objectives

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company does not hedge these risk exposures due to the lack of a market to purchase financial instruments.

- Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Company does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company does not hedge this risk due to the lack of any market to purchase such instruments.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	30 June 2014	01 Jan 2014	30 June 2014	01 Jan. 2014
United States Dollars (USD)	-	-	210.85	31,285.51

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The Company is exposed to interest rate risk as the Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Price risk management

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

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Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

▪ Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries and geographical areas.

▪ Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

			VND
30 June 2014	Less than 1 year	From 1- 5 years	Total
Trade and other payables	11,060,961,871	123,153,536,190	134,214,498,061
Borrowings	-	12,200,000,000	12,200,000,000
Accruals	2,778,028,364	-	2,778,028,364
01 January 2014	Less than 1 year	From 1- 5 years	Total
Trade and other payables	42,825,244,556	127,795,188,828	170,620,433,384
Borrowings	-	9,500,000,000	9,500,000,000
Accruals	911,067,360	-	911,067,360

The management assessed the liquidity risk concentration at low level. The management believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, if any. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

			VND
30 June 2014	Less than 1 year	From 1- 5 years	Total
Trade and other receivables	32,472,746,909	14,294,000,000	46,766,746,909
Investment	278,500,000,000	190,836,400,000	469,336,400,000
01 January 2014	Less than 1 year	From 1- 5 years	Total
Trade and other receivables	34,006,869,175	15,806,000,000	49,812,869,175
Investment	149,500,000,000	190,836,400,000	340,336,400,000

11. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events arising after the end of the reporting period to the date of the financial statements.

12. OTHER DISCLOSURES

In 2014, the Company could make the second finalisation of investment costs of Long Thanh Industrial Zone, which could lead to changes in the cost of goods sold against the revenue recorded in the previous years – Refer to Notes 4.11 and 5.17.

SONADEZI LONG THANH SHAREHOLDING COMPANY

Address: Long Thanh Industrial Zone, Tam An Commune, Long Thanh District, Dong Nai Province.

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the first six month period ended 30 June were authorised for issue by the General Director on 17 July 2014.

Long Thanh, 17 July 2014

PREPARED BY



NGUYEN THI NGOC TRANG

CHIEF ACCOUNTANT



PHAN THUY DOAN

GENERAL DIRECTOR



NGUYEN VAN TUAN

Handwritten mark

