

Ha Tien 1 Cement Joint Stock Company

Financial statements

31 December 2015

Ha Tien 1 Cement Joint Stock Company

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Ha Tien 1 Cement Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Ha Tien 1 Cement Joint Stock Company ("the Company"), formerly known as Ha Tien 1 Cement Company, was originally a State-owned enterprise established in Vietnam in accordance with the Establishment Decision No. 441/BXD-TCLD issued by the Ministry of Construction on 30 September 1993. The Company's original Business Registration Certificate ("BRC") No. 102955 was issued by the Economic Arbitration Board on 9 October 1993 and subsequently amended through the BRC No. 4106000289 issued by the Department of Planning and Investment of Ho Chi Minh City on 6 September 2006.

On 22 December 2006, the Company was equitized in accordance with the Decision No. 1774/QD-BXD issued by the Ministry of Construction. This equitization was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the BRC No. 4103005941 on 18 January 2007, subsequently amended as follows:

<u>Amended BRC No.:</u>	<u>Date:</u>
From the 1 st amendment to 11 th amendment	From 2 April 2007 to 20 November 2013
0301446422 - 12 th amendment	12 February 2014
0301446422 - 13 th amendment	29 April 2014

On 30 April 2010, Ha Tien 2 Cement Joint Stock Company, a shareholding company established in Vietnam in accordance with the first BRC No. 5603000124 dated 1 February 2008 and the second amended BRC No. 1710101407 dated 18 November 2008 issued by the Department of Planning and Investment of Kien Giang Province, was merged with the Company. This merger was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the sixth amended BRC.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange in accordance with the Decision No.136/QD-SGDCK issued by the Ho Chi Minh City Stock Exchange on 31 October 2007.

The Company's current principal activities are to engage in producing and trading cement and products from cement, building materials (bricks, tiles, mortar, concrete), clinker, materials and construction supplies; undertaking civil construction works; trading real estates (office building for lease); exploiting stone, sand, gravel and clay, and performing collection, disposal and recycling scrap.

The Company's head office is located at 360 Ben Chuong Duong Street, Cau Kho Ward, District 1, Ho Chi Minh City, Vietnam and the locations of the Company's branches are as follows:

- Sales and Services Enterprise located at District 1, Ho Chi Minh City;
- Phu Huu Grinding Terminal located at District 9, Ho Chi Minh City;
- Thu Duc Grinding Terminal located at Thu Duc District, Ho Chi Minh City;
- Binh Phuoc Cement Plant located at Binh Long Town, Binh Phuoc Province;
- Long An Grinding Terminal located at Ben Luc District, Long An Province;
- Kien Luong Cement Plant located at Kien Luong Town, Kien Giang Province;
- Cam Ranh Grinding Terminal located at Cam Ranh City, Khanh Hoa Province; and
- Management Enterprise of Phu Huu B.O.T road located at District 9, Ho Chi Minh City.

Ha Tien 1 Cement Joint Stock Company

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

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

Mr Tran Viet Thang	Chairman	
Mr Nguyen Ngoc Anh	Vice chairman	
Mr Pham Dinh Nhat Cuong	Member	
Mr To Hai	Member	
Mr Nguyen Van Chuyen	Member	
Mr Cai Hong Thu	Member	
Mr Pham Van Thong	Member	
Mr Nguyen Tuan Anh	Member	
Mr Mai Van Yen	Member	appointed on 23 April 2015
Mr Hoang Kim Cuong	Member	resigned on 23 April 2015

BOARD OF SUPERVISION

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

Mr Pham Duc Trung	Head of the Board of Supervision	
Ms Phung Thi Tan Thanh	Member	
Ms Nguyen Thi To Nga	Member	
Mr Pham The Nghia	Member	
Ms Tran Thi Bich Thuy	Member	appointed on 23 April 2015
Mr Mai Thanh Son	Member	resigned on 23 April 2015

MANAGEMENT

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

Mr Nguyen Tuan Anh	General Director	
Mr Pham Dinh Nhat Cuong	Deputy General Director	
Mr Ngo Minh Lang	Deputy General Director	
Mr Mai Van Yen	Deputy General Director	
Mr Pham Van Thong	Deputy General Director	
Mr Hoang Kim Cuong	Deputy General Director	resigned on 1 April 2015

LEGAL REPRESENTATIVE

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

AUDITORS

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

Ha Tien 1 Cement Joint Stock Company

REPORT OF MANAGEMENT

Management of Ha Tien 1 Cement Joint Stock Company ("the Company") is pleased to present its report and the financial statements of the Company for the year ended 31 December 2015.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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 to ensure that the accounting records comply with the applied accounting system. It 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.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.

For and on behalf of the management:



Nguyen Tuan Anh
General Director

Ho Chi Minh City, Vietnam

22 March 2016



Ernst & Young Vietnam Limited
28th Floor, Bitexco Financial Tower
2 Hai Trieu Street, District 1
Ho Chi Minh City, S.R. of Vietnam

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ey.com

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Reference: 60933836/17793883

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Ha Tien 1 Cement Joint Stock Company

We have audited the accompanying financial statements of Ha Tien 1 Cement Joint Stock Company ("the Company") as prepared on 22 March 2016 and set out on pages 6 to 48 which comprise the balance sheet as at 31 December 2015, and the income statement and cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

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

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

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



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Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2015, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.

Ernst & Young Vietnam Limited



Le Thi Tuyen Mai
Deputy General Director
Audit Practicing Registration Certificate
No. 1575-2013-004-1

Doan Thi Thu Thuy
Auditor
Audit Practicing Registration Certificate
No. 1070-2013-004-1

Ho Chi Minh City, Vietnam

22 March 2016

BALANCE SHEET
as at 31 December 2015

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,363,841,725,865	1,548,149,620,764
110	I. Cash	4	345,519,758,971	219,000,746,505
111	1. Cash		345,519,758,971	219,000,746,505
120	II. Short-term investments		7,188,937,000	36,041,229,700
121	1. Held-for-trading securities	5.1	10,776,291,414	10,756,599,414
122	2. Provision for diminution in value of held-for-trading securities	5.1	(3,587,354,414)	(4,715,369,714)
123	3. Held-to-maturity investments		-	30,000,000,000
130	III. Current accounts receivable		387,099,641,577	497,596,559,024
131	1. Short-term trade receivables	6.1	323,667,195,426	425,704,660,118
132	2. Short-term advances to suppliers	6.2	40,381,795,015	40,133,276,007
136	3. Other short-term receivables	7	25,812,310,436	34,520,282,199
137	4. Provision for doubtful short-term receivables	6.1	(2,761,659,300)	(2,761,659,300)
140	IV. Inventories		610,488,212,390	781,044,557,973
141	1. Inventories	8	645,257,818,054	806,081,840,142
149	2. Provision for obsolete inventories	8	(34,769,605,664)	(25,037,282,169)
150	V. Other current assets		13,545,175,927	14,466,527,562
151	1. Short-term prepaid expenses	9	4,140,265,956	1,159,131,907
152	2. Value-added tax deductible		9,366,324,221	11,444,999,580
153	3. Tax and other receivables from the State		38,585,750	1,862,396,075
200	B. NON-CURRENT ASSETS		10,555,641,608,585	11,113,830,862,286
210	I. Long-term receivables		10,617,995,037	9,593,600,647
216	1. Other long-term receivables	7	10,617,995,037	9,593,600,647
220	II. Fixed assets		9,247,731,952,397	9,853,782,204,435
221	1. Tangible fixed assets	10	9,142,619,274,892	9,739,082,520,190
222	Cost		13,811,350,540,176	13,795,191,707,240
223	Accumulated depreciation		(4,668,731,265,284)	(4,056,109,187,050)
227	2. Intangible assets	11	105,112,677,505	114,699,684,245
228	Cost		121,294,723,910	128,750,163,010
229	Accumulated amortisation		(16,182,046,405)	(14,050,478,765)
240	III. Long-term assets in progress		1,013,379,529,915	845,424,109,134
242	1. Construction in progress	12	1,013,379,529,915	845,424,109,134
250	IV. Long-term investments	5.2	41,112,000,000	56,000,000,000
252	1. Investments in an associate		10,200,000,000	-
253	2. Investment in other entities		56,000,000,000	56,000,000,000
254	3. Provision for diminution in value of long-term investments		(25,088,000,000)	-
260	V. Other long-term assets		242,800,131,236	349,030,948,070
261	1. Long-term prepaid expenses	9	56,113,998,258	171,243,387,764
262	2. Deferred tax assets	28.3	8,898,572,672	-
263	3. Long-term tools, supplies and spare parts		177,787,560,306	177,787,560,306
270	TOTAL ASSETS		11,919,483,334,450	12,661,980,483,050

BALANCE SHEET (continued)
as at 31 December 2015

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		7,493,032,065,060	8,947,989,128,032
310	I. Current liabilities		3,070,124,452,088	3,845,842,357,772
311	1. Short-term trade payables	14.1	911,117,587,428	1,020,201,834,642
312	2. Short-term advances from customers	14.2	36,950,272,261	32,546,594,476
313	3. Statutory obligations	15	120,449,111,637	100,265,802,777
314	4. Payables to employees		106,875,634,037	98,364,259,432
315	5. Short-term accrued expenses	16	77,056,778,853	338,475,008,351
318	6. Short-term unearned revenues	17	104,117,791,084	-
319	7. Other short-term payables	18	102,886,347,643	94,085,536,062
320	8. Short-term loans	19	1,541,823,432,543	2,110,415,323,465
321	9. Short-term provision	20	51,866,723,166	51,487,998,567
322	10. Bonus and welfare fund		16,980,773,436	-
330	II. Non-current liabilities		4,422,907,612,972	5,102,146,770,260
338	1. Long-term loans	19	4,417,023,812,778	5,097,134,755,677
342	2. Long-term provisions	20	5,883,800,194	5,012,014,583
400	D. OWNERS' EQUITY	21	4,426,451,269,390	3,713,991,355,018
410	I. Capital		4,426,451,269,390	3,713,991,355,018
411	1. Share capital		3,180,000,000,000	3,180,000,000,000
411a	- Shares with voting rights		3,180,000,000,000	3,180,000,000,000
412	2. Share premium		70,790,410,045	70,790,410,045
414	3. Other owners' capital		5,517,214,120	5,517,214,120
415	4. Treasury shares		(902,752,100)	(902,752,100)
418	5. Investment and development fund		202,019,139,008	142,991,341,928
421	6. Undistributed earnings		969,027,258,317	315,595,141,025
421a	- Undistributed earnings of prior year		230,332,767,465	10,666,024,631
421b	- Undistributed earnings of current year		738,694,490,852	304,929,116,394
440	TOTAL LIABILITIES AND OWNERS' EQUITY		11,919,483,334,450	12,661,980,483,050



Nguyen Thi Loan
Preparer



Le Thi Phuong Dung
Head of
Finance and Accounting Department




Nguyen Tuan Anh
General Director

22 March 2016


INCOME STATEMENT
for the year ended 31 December 2015

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	22.1	8,001,188,091,758	7,043,112,350,206
02	2. Deductions	22.1	(392,738,197,205)	(285,025,142,717)
10	3. Net revenue from sale of goods and rendering of services	22.1	7,608,449,894,553	6,758,087,207,489
11	4. Costs of goods sold and services rendered	23	(5,934,404,661,901)	(5,424,387,761,929)
20	5. Gross profit from sale of goods and rendering of services		1,674,045,232,652	1,333,699,445,560
21	6. Finance income	22.2	98,971,995,364	291,606,501,506
22	7. Finance expenses	25	(463,741,408,131)	(745,695,441,825)
23	<i>In which: Interest expense</i>		(416,658,026,801)	(522,707,830,704)
25	8. Selling expenses	24	(85,717,896,929)	(321,102,905,652)
26	9. General and administrative expenses	24	(282,054,859,279)	(164,217,124,827)
30	10. Operating profit		941,503,063,677	394,290,474,762
31	11. Other income	26	10,274,968,927	9,653,054,844
32	12. Other expenses	26	(1,648,201,135)	(8,247,694,929)
40	13. Other profit		8,626,767,792	1,405,359,915
50	14. Accounting profit before tax		950,129,831,469	395,695,834,677
51	15. Current corporate income tax expense	28.2	(220,333,913,289)	(90,766,718,283)
52	16. Deferred tax income	28.3	8,898,572,672	-
60	17. Net profit after tax		738,694,490,852	304,929,116,394
70	18. Basic earnings per share	30	2,323	877
71	19. Diluted earnings per share	30	2,323	877



Nguyen Thi Loan
Preparer



Le Thi Phuong Dung
Head of
Finance and Accounting Department





Nguyen Tuan Anh
General Director

22 March 2016

CASH FLOW STATEMENT
for the year ended 31 December 2015


VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		950,129,831,469	395,695,834,677
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		618,843,660,510	639,111,421,323
03	Provisions		34,942,818,405	23,631,277,769
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(43,172,674,029)	(14,511,994,995)
05	Profit from investing activities		(45,123,531,776)	(26,228,859,744)
06	Interest expense	25	416,658,026,801	522,707,830,704
08	Operating profit before changes in working capital		1,932,278,131,380	1,540,405,509,734
09	Increase in receivables		(33,246,750,938)	(57,029,011,468)
10	Decrease in inventories		160,824,022,088	26,008,742,110
11	Increase (decrease) in payables		16,044,192,978	(16,652,572,515)
12	Decrease in prepaid expenses		112,148,255,457	55,907,410,974
13	Increase in held-for-trading securities		(19,692,000)	-
14	Interest paid		(509,350,168,445)	(538,517,157,763)
15	Corporate income tax paid	28.2	(221,715,121,990)	(17,961,445,863)
17	Other cash outflows from operating activities		(9,253,803,044)	(1,003,633,761)
20	Net cash flows from operating activities		1,447,709,065,486	991,157,841,448
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(158,162,619,320)	(161,367,237,084)
22	Proceeds from disposals of fixed assets		8,244,187,904	6,524,233,636
23	Cash used for term bank deposits over three months		-	(30,000,000,000)
24	Collection from term bank deposits		30,000,000,000	-
27	Interest and dividends received		4,214,994,547	4,182,358,653
30	Net cash flows used in investing activities		(115,703,436,869)	(180,660,644,795)

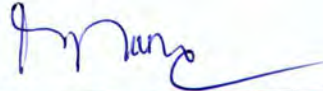
CASH FLOW STATEMENT (continued)
for the year ended 31 December 2015

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		4,571,877,986,019	4,442,423,021,621
34	Repayment of borrowings		(5,777,318,892,452)	(5,236,084,278,038)
36	Dividends paid		(46,225,000)	(14,375,000)
40	Net cash flows used in financing activities		(1,205,487,131,433)	(793,675,631,417)
50	Net increase in cash		126,518,497,184	16,821,565,236
60	Cash at beginning of year		219,000,746,505	202,131,163,112
61	Impact of exchange rate fluctuation		515,282	48,018,157
70	Cash at end of year	4	345,519,758,971	219,000,746,505



Nguyen Thi Loan
Preparer



Le Thi Phuong Dung
Head of
Finance and Accounting Department



Nguyen Tuan Anh
General Director

22 March 2016

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

1. CORPORATE INFORMATION

Ha Tien 1 Cement Joint Stock Company ("the Company"), formerly known as Ha Tien 1 Cement Company, was originally a State-owned enterprise established in Vietnam in accordance with the Establishment Decision No. 441/BXD-TCLD issued by the Ministry of Construction on 30 September 1993. The Company's original Business Registration Certificate ("BRC") No. 102955 was issued by Economic Arbitration Board on 9 October 1993 and subsequently amended through the BRC No. 4106000289 issued by the Department of Planning and Investment of Ho Chi Minh City on 6 September 2006.

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- Long An Grinding Terminal located at Ben Luc District, Long An Province;
- Kien Luong Cement Plant located at Kien Luong Town, Kien Giang Province;
- Cam Ranh Grinding Terminal located at Cam Ranh City, Khanh Hoa Province and
- Management Enterprise of Phu Huu B.O.T road located at District 9, Ho Chi Minh City.

The number of the Company's employees as at 31 December 2015 was 2,839 (31 December 2014: 2,869).

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

2. BASIS OF PREPARATION

2.1 *Accounting standards and system*

The financial statements of the Company, expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard 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 financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the computerised base.

2.3 *Fiscal year*

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

2.4 *Accounting currency*

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Change in accounting policies and disclosures*

The accounting policies adopted by the Company in preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2014, except for the changes in the accounting policies in relation to the adoption of Circular No. 200/2014/TT-BTC providing guidance on enterprise accounting system issued by the Ministry of Finance on 22 December 2014 ("Circular 200").

Circular 200 replaces Decision No. 15/2006/QD-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. Circular 200 is effective for the financial year beginning on or after 1 January 2015.

The effects of the change in accounting policies in accordance with Circular 200 to the Company are applied on a prospective basis as Circular 200 does not require for retropective application. The Company also reclassifies certain corresponding figures of prior year following the presentation of the current year's financial statements in accordance with Circular 200 as disclosed in Note 35.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Cash

Cash comprises cash on hand and cash in banks.

3.3 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials	- cost of purchase on a weighted average basis.
Finished goods and work-in-process	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold account in the income statement.

3.4 Receivables

Receivables are presented in the 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 or decreases to the provision balance are recorded as general and administrative expense in the income statement.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation.

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

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

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

Land use rights

Land use rights are recorded as intangible assets representing the value of the right to use the land acquired or leased by the Company. The useful life of land use rights are assessed either definite or indefinite. Accordingly, land use rights with definite useful life representing the land lease are amortized over the lease term while land use rights with indefinite useful life are not amortized.

3.7 *Depreciation and amortisation*

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

Buildings and structures	5 - 50 years
Machinery and equipment	4 - 20 years
Means of transportation	6 - 30 years
Office equipment	3 - 8 years
Software program	3 - 8 years
Patents	3 - 8 years
Other	5 - 25 years

3.8 *Borrowing costs*

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

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

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

3.9 *Prepaid expenses*

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

The business advantage and trademark arising from the equitization of the Company in accordance with Decision No. 1401/QD-BXD dated 10 October 2006 and Decision No. 865/QD-BXD dated 11 June 2007 issued by the Ministry of Construction regarding the business revaluation for equitization purpose, and other related documents are recognized as long-term prepaid expenses. This is amortized within the period not exceeding 10 years in accordance with Circular No. 138/2012/TT-BTC issued by the Ministry of Finance on 20 August 2012 providing guidance on the allocation of business advantage arising from the equitization of State-owned enterprises.

During the year, the Company changed the allocation term of the business advantage and trademark arising from the equitization of the Company, from 10 years to 9 years (*Note 9*).

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Investments*

Investment in an associate

Investment in an associate over which the Company has significant influence is carried at cost.

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

Held-for-trading securities and investments in other entities

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

Provision for diminution in value of held-for-trading securities and investments in capital

Provision is made for any diminution in value of held-for-trading securities and investments in capital of others entities at the balance sheet date in accordance with the guidance under Circular 200. Increases or decreases to the provision balance are recorded as finance expense in the income statement.

Held-to-maturity investments

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

3.11 *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.

3.12 *Provision*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Foreign currency transactions*

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

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

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

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

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

3.14 *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement upon purchase, sale, issue or cancellation of the Company's own equity instruments.

3.15 *Appropriation of net profit*

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.

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 fund

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

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:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Revenue recognition (continued)

Sale of goods under customer loyalty program

Revenue recognized upfront is equal to the total amount received or receivable minus the fair value of the goods that would be redeemed for free or the discounts or rebates that would be provided to customers. The fair value of the goods that would be redeemed for free or the discounts or rebates that would be provided to customers is recorded as unearned revenue. The deferred revenue is transferred to revenue only when:

- At the end of the program, if the customers would not have satisfied all conditions of program and would not entitled to redeem the free or the discounts or rebate; or
- The customers have satisfied all the conditions for entitlement and the Company has fulfilled its obligation.

Rendering of services

Revenue from rendering of services is recognised when the services have been provided for.

Interest income

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

Dividends

Revenue 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 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 offset 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 tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Taxation* (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set 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 to settle current tax liabilities and assets on a net basis or to realise the assets and to settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.18 *Financial instruments*

Initial recognition and presentation

Financial assets

Financial assets within the scope of Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 providing guidance for the adoption of the International Accounting Standard on presentation and disclosures of financial instruments in Vietnam ("Circular 210") are classified, for disclosures in the notes to the 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, trade and other receivables, and short-term and long-term investments.

Financial liabilities

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

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

The Company's financial liabilities include trade and other payables, and short-term and long-term loans.

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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 *Financial instruments* (continued)

Offsetting of financial instruments

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

3.19 *Segment information*

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's principal activities are engaged in producing and trading cement and cement-related products. In addition, these activities are mainly taken place within Vietnam. Therefore, the Company's risks and returns are not impacted by the Company's products that the Company is manufacturing or the locations where the Company is trading. As a result, the Company's management decided not to present business segment information.

4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	437,038,071	296,772,523
Cash in banks	345,082,720,900	218,703,973,982
TOTAL	<u>345,519,758,971</u>	<u>219,000,746,505</u>

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

5. INVESTMENTS

5.1 Held-for-trading securities

Held-for-trading securities represent the Company's investments in listed shares. Details are as follows:

	Ending balance			Beginning balance			VND
	Cost	Provision	Fair value	Cost	Provision	Fair value	
	Joint Stock Commercial Bank for Foreign Trade of Vietnam	7,632,180,000	(1,879,655,700)	5,752,524,300	7,632,180,000	(3,452,099,700)	4,180,080,300
Other investments	3,144,111,414	(1,707,698,714)	1,436,412,700	3,124,419,414	(1,263,270,014)	1,861,149,400	
TOTAL	10,776,291,414	(3,587,354,414)	7,188,937,000	10,756,599,414	(4,715,369,714)	6,041,229,700	

5.2 Long-term investments

	Ending balance		Beginning balance		VND
	Quantity	Value	Quantity	Value	
	Shares	VND	Shares	VND	
Investments in an associate (*)	-	10,200,000,000	-	-	
Sai Gon Auto Nguyen Quang Company Limited	-	10,200,000,000	-	-	
Investments in other entities (**)	3,010,000	30,912,000,000	3,010,000	56,000,000,000	
Ben Thanh Rubber Joint Stock Company	2,310,000	42,000,000,000	2,310,000	42,000,000,000	
Vicem Gypsum and Cement Joint Stock Company	700,000	14,000,000,000	700,000	14,000,000,000	
Provision for diminution in value of investments in other entities	-	(25,088,000,000)	-	-	
TOTAL	3,010,000	41,112,000,000	3,010,000	56,000,000,000	

(*) The investment in an associate represented the contribution of fixed assets and land lease right to acquire 24% interest in Nguyen Quang Sai Gon Oto Company Limited.

(**) Investments in other entities represented the Company's investments in listed shares.

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

6. TRADE RECEIVABLE AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

	VND	
	Ending balance	Beginning balance
Trade receivables from customers	288,475,439,247	416,373,130,811
- Tan Xuan Anh Private Company	91,386,532,335	75,722,455,628
- Other customers	197,088,906,912	340,650,675,183
Trade receivables from related parties (Note 29)	35,191,756,179	9,331,529,307
TOTAL	323,667,195,426	425,704,660,118
Provision for doubtful short-term debts	(2,761,659,300)	(2,761,659,300)
NET	320,905,536,126	422,943,000,818

6.2 Short-term advances to suppliers

	VND	
	Ending balance	Beginning balance
Advances to suppliers	39,566,520,015	38,572,588,307
- Siam Co., Ltd. and Flsmidth Co., Ltd. LLP	5,117,357,557	-
- Other suppliers	34,449,162,458	38,572,588,307
Advances to related parties (Note 29)	815,275,000	1,560,687,700
TOTAL	40,381,795,015	40,133,276,007

7. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Short-term	25,812,310,436	34,520,282,199
Value-added tax yet declared	13,803,507,823	16,845,353,694
Advance for BCC project	3,294,450,480	464,007,110
Others	8,714,352,133	17,210,921,395
Long-term	10,617,995,037	9,593,600,647
Deposit	10,617,995,037	9,593,600,647
TOTAL	36,430,305,473	44,113,882,846

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

8. INVENTORIES

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Raw materials	262,940,969,752	(34,769,605,664)	312,759,263,220	(25,037,282,169)
Finished goods	255,685,901,175	-	396,007,288,606	-
Goods in transit	67,766,653,935	-	23,536,346,910	-
Work-in-process	56,132,031,790	-	69,480,017,273	-
Tools and supplies	2,732,261,402	-	4,298,924,133	-
TOTAL	<u>645,257,818,054</u>	<u>(34,769,605,664)</u>	<u>806,081,840,142</u>	<u>(25,037,282,169)</u>

Movements of provision for obsolete inventories

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	(25,037,282,169)	(25,037,282,169)
Provision made during the year	<u>(9,732,323,495)</u>	-
Ending balance	<u>(34,769,605,664)</u>	<u>(25,037,282,169)</u>

9. PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	4,140,265,956	1,159,131,907
Insurance expenses	2,383,604,564	933,474,950
Mineral exploration right expenses	1,239,096,000	-
Others	517,565,392	225,656,957
Long-term	56,113,998,258	171,243,387,764
Land clearance expenses	29,051,840,810	29,782,704,735
Stripping costs	25,337,796,355	28,679,495,152
Business advantage and trademark arising from the equitisation	-	107,834,853,996
Others	<u>1,724,361,093</u>	<u>4,946,333,881</u>
TOTAL	<u>60,254,264,214</u>	<u>172,402,519,671</u>

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

10. TANGIBLE FIXED ASSETS

	VND					
	<i>Buildings and structures</i>	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost:						
Beginning balance	3,861,770,299,117	8,568,899,926,955	373,891,674,844	29,421,735,287	961,208,071,037	13,795,191,707,240
New purchase	-	7,205,747,822	4,793,853,000	339,958,909	-	12,339,559,731
Transfer from construction in progress	4,382,064,805	4,420,417,259	-	296,922,000	-	9,099,404,064
Disposal	(142,742,600)	(1,901,268,108)	-	(139,169,151)	-	(2,183,179,859)
Other reductions	(3,096,951,000)	-	-	-	-	(3,096,951,000)
Ending balance	<u>3,862,912,670,322</u>	<u>8,578,624,823,928</u>	<u>378,685,527,844</u>	<u>29,919,447,045</u>	<u>961,208,071,037</u>	<u>13,811,350,540,176</u>
<i>In which:</i>						
Fully depreciated	116,434,649,528	1,109,632,711,853	102,096,101,173	11,665,219,679	36,489,653,595	1,376,318,335,828
Awaiting disposal	11,297,904,999	147,655,773,939	11,039,015,572	2,148,831,425	86,425,600	172,227,951,535
Accumulated depreciation:						
Beginning balance	895,300,647,353	2,780,511,392,531	199,284,333,872	21,273,046,533	159,739,766,761	4,056,109,187,050
Depreciation for the year	135,438,239,694	414,250,089,302	26,941,946,367	2,966,159,242	37,070,266,414	616,666,701,019
Disposal	(134,948,543)	(1,804,719,870)	-	(139,169,151)	-	(2,078,837,564)
Other decreases	(1,965,785,221)	-	-	-	-	(1,965,785,221)
Ending balance	<u>1,028,638,153,283</u>	<u>3,192,956,761,963</u>	<u>226,226,280,239</u>	<u>24,100,036,624</u>	<u>196,810,033,175</u>	<u>4,668,731,265,284</u>
Net carrying amount:						
Beginning balance	<u>2,966,469,651,764</u>	<u>5,788,388,534,424</u>	<u>174,607,340,972</u>	<u>8,148,688,754</u>	<u>801,468,304,276</u>	<u>9,739,082,520,190</u>
Ending balance	<u>2,834,274,517,039</u>	<u>5,385,668,061,965</u>	<u>152,459,247,605</u>	<u>5,819,410,421</u>	<u>764,398,037,862</u>	<u>9,142,619,274,892</u>
<i>In which:</i>						
Temporarily unused	9,059,808	561,813,437	-	-	-	570,873,245
Awaiting disposal	9,059,808	354,875,463	-	-	-	363,935,271

The Company has pledged its certain tangible fixed assets to secure its short-term and long-term loans (Note 19).

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

11. INTANGIBLE ASSETS

	<i>Land use rights</i>	<i>Patents</i>	<i>Software program</i>	<i>VND Total</i>
Cost:				
Beginning balance	113,074,047,242	4,020,085,388	11,656,030,380	128,750,163,010
New purchase	-	-	97,530,000	97,530,000
Disposal	(7,460,577,500)	-	(92,391,600)	(7,552,969,100)
Ending balance	<u>105,613,469,742</u>	<u>4,020,085,388</u>	<u>11,661,168,780</u>	<u>121,294,723,910</u>
<i>In which:</i>				
<i>Fully amortised</i>	1,789,508,560	1,681,829,388	2,397,116,442	5,868,454,390
Accumulated amortisation:				
Beginning balance	4,755,130,289	3,043,916,421	6,251,432,055	14,050,478,765
Amortisation for the period	599,278,702	377,494,280	1,247,186,258	2,223,959,240
Disposal	-	-	(92,391,600)	(92,391,600)
Ending balance	<u>5,354,408,991</u>	<u>3,421,410,701</u>	<u>7,406,226,713</u>	<u>16,182,046,405</u>
Net carrying amount:				
Beginning balance	<u>108,318,916,953</u>	<u>976,168,967</u>	<u>5,404,598,325</u>	<u>114,699,684,245</u>
Ending balance	<u>100,259,060,751</u>	<u>598,674,687</u>	<u>4,254,942,067</u>	<u>105,112,677,505</u>

The Company has pledged its certain intangible assets to secure its short-term and long-term loans (Note 19).

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

12. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Projects at Binh Phuoc	346,432,408,667	335,760,054,642
Phu Huu B.O.T. road project	440,963,414,668	331,377,702,181
Projects at Kien Luong	170,129,626,493	155,212,456,444
Others	55,854,080,087	23,073,895,867
TOTAL	<u>1,013,379,529,915</u>	<u>845,424,109,134</u>

13. CAPITALIZED BORROWING COST

During the year, the Company capitalized interest costs amounting to VND 3,809,004,613. These interest costs incurred from borrowings taken to finance the construction of Phu Huu B.O.T road project.

14. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

14.1 Short-term trade payables

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Amount</i>	<i>Amount payable</i>	<i>Amount</i>	<i>Amount payable</i>
Trade payables to suppliers	662,720,186,421	662,720,186,421	731,877,658,901	731,877,658,901
Trade payables to related parties (Note 29)	248,397,401,007	248,394,118,007	288,324,175,741	288,324,175,741
TOTAL	<u>911,117,587,428</u>	<u>911,117,587,428</u>	<u>1,020,201,834,642</u>	<u>1,020,201,834,642</u>

14.2 Short-term advances from customers

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances from customers	30,633,159,242	25,179,883,853
- Construction Material & Interior Decoration Joint Stock Company	9,167,363,482	3,826,797,581
- Interior Decoration Joint Stock Company	4,170,858,530	5,008,666,790
- Other suppliers	17,294,937,230	16,344,419,482
Advances from related parties (Note 29)	6,317,113,019	7,366,710,623
TOTAL	<u>36,950,272,261</u>	<u>32,546,594,476</u>

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

15. STATUTORY OBLIGATIONS

	VND			
	<i>Beginning balance</i>	<i>Payable in year</i>	<i>Payment/ net-off in year</i>	<i>Ending balance</i>
Corporate income tax (Note 28.2)	71,103,650,583	220,333,913,289	223,328,767,198	68,108,796,674
Value-added tax	19,987,731,020	305,442,661,559	287,583,914,258	37,846,478,321
Natural resources tax	5,796,557,053	34,440,714,797	31,218,458,956	9,018,812,894
Personal income tax	826,512,981	5,546,919,725	4,850,589,127	1,522,843,579
Import, export duties	-	17,135,524,976	17,135,524,976	-
Other fees and taxes	2,551,351,140	59,710,114,807	58,309,285,778	3,952,180,169
TOTAL	<u>100,265,802,777</u>	<u>642,609,849,153</u>	<u>622,426,540,293</u>	<u>120,449,111,637</u>

16. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Interest cost due to banks	71,104,742,986	82,355,669,139
Interest cost due to related parties (Note 29)	1,645,322,057	83,742,247,192
Other	4,306,713,810	172,377,092,020
TOTAL	<u>77,056,778,853</u>	<u>338,475,008,351</u>

17. SHORT-TERM UNEARNED REVENUES

Short-term unearned revenues mainly represent unearned revenues arising from customer loyalty program.

18. SHORT-TERM OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Contract guarantee expenses	50,000,000,000	50,000,000,000
Education sponsor expenses	25,000,000,000	9,000,000,000
Other payables to third parties	27,886,347,643	35,085,536,062
TOTAL	<u>102,886,347,643</u>	<u>94,085,536,062</u>
<i>In which:</i>		
Other payable to third parties	52,886,347,643	35,085,536,062
Other payable to related parties (Note 29)	50,000,000,000	59,000,000,000

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

19. LOANS

	VND	
	Ending balance	Beginning balance
Short-term loans	1,541,823,432,543	2,110,415,323,465
Short-term loans from banks (Note 19.1)	796,225,610,115	1,402,537,490,013
Current portion of long-term loans from banks (Note 19.2)	742,597,822,428	704,877,833,452
Current portion of long-term loans from related parties (Note 19.3)	3,000,000,000	3,000,000,000
Long-term loans	4,417,023,812,778	5,097,134,755,677
Long-term loans from banks (Note 19.2)	4,343,367,230,306	5,019,478,173,205
Long-term loans from related parties (Note 19.3)	73,656,582,472	77,656,582,472
TOTAL	<u>5,958,847,245,321</u>	<u>7,207,550,079,142</u>

Movements of loans are as follows:

	VND	
	Short-term loans	Long-term loans
Beginning balance	2,110,415,323,465	5,097,134,755,677
Drawdown from borrowings	4,454,691,892,959	117,186,093,060
Transfer of current portion of long-term loans	762,310,835,585	(762,310,835,585)
Repayment from borrowings	(5,777,318,892,452)	-
Foreign exchange difference arisen from revaluation of ending balance denominated in foreign currencies	(8,275,727,014)	(34,986,200,374)
Ending balance	<u>1,541,823,432,543</u>	<u>4,417,023,812,778</u>
Possible repayment amount	1,541,823,432,543	4,417,023,812,778

19.1 Short-term loans from banks

The Company has obtained short-term loans from banks to finance its working capital requirements. The term of these loans is six (6) months and they bear a negotiable market-based interest. Details of these short-term loans are as follows:

	VND
	Ending balance
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank") – Ho Chi Minh City Branch (*)	279,921,210,735
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank") – Ho Chi Minh City Branch (**)	234,402,105,619
Vietinbank – Kien Giang Branch (**)	112,339,128,855
Bank for Investment and Development of Vietnam ("BIDV") – Transaction Office II Branch (*)	138,775,668,291
Viet Capital Joint Stock Commercial Bank (***)	30,787,496,615
TOTAL	<u>796,225,610,115</u>

(*) These short-term loans are secured by the same collateral assets of respective long-term loans (Note 19.2);

(**) These are unsecured short-term loans; and

(**) This loan was secured by raw materials.

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

19. **LOANS** (continued)

19.2 **Long-term loans from banks**

Details of the long-term loans form banks are as follows:

	Ending balance VND	Maturity date
<i>BIDV - Transaction Office II Branch (i)</i>		
Loan 1	95,987,499,987	15 August 2021
Loan 2	109,512,500,000	15 August 2021
Loan 3	79,400,000,000	1 April 2022
Loan 4	110,126,319,220	22 June 2020
<i>Syndicated loans from 9 branches of commercial banks headed by BIDV - Transaction Office II (ii)</i>		
	1,593,933,888,970	26 October 2022
<i>Société Générale Bank (iii)</i>		
Loan 1	647,412,576,386	7 November 2019
Loan 2	286,486,063,201	28 February 2020
Loan 3	144,546,798,714	26 February 2020
<i>Vietinbank - Kien Giang Branch (iv)</i>		
Loan 1	438,399,887,508	7 December 2020
Loan 2	204,290,000,000	7 December 2020
Loan 3	95,054,309,367	7 December 2020
<i>The Vietnam Development Bank (v)</i>		
	205,909,204,157	30 December 2018
<i>Vietcombank - Kien Giang Branch (vi)</i>		
Loan 1	86,083,398,617	8 May 2018
Loan 2	52,400,000,000	24 December 2018
<i>Calyon Bank (vii)</i>		
Loan 1	499,338,652,738	30 June 2021
Loan 2	159,260,414,642	30 June 2021
<i>Syndicated loans from 2 branches of commercial banks headed by BIDV - Khanh Hoa Branch (viii)</i>		
Loan 1	156,183,008,740	25 April 2020
Loan 2	121,640,530,487	25 April 2020
TOTAL	<u>5,085,965,052,734</u>	
<i>In which</i>		
Current portion	742,597,822,428	
Non-current portion	4,343,367,230,306	

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

19. LOANS (continued)

19.2 Long-term loans from banks (continued)

- (i) The purpose of loan 1, 2, 3 is to finance the construction of Phu Huu Grinding Terminal project located at District 9, Ho Chi Minh City. This project is the collateral asset for the loans. The term of these loans is 18 years and the loans bear a negotiable interest.
- The purpose of loan 4 is to finance Phu Huu B.O.T road project. The Company has pledged the investor right in Phu Huu B.O.T road project (including fee collection right) and other assets right arisen from Phu Huu B.O.T road project. In addition, the loan is under guarantee by Vietnam Cement Industry Corporation on loan principal and interest. The term of the loan is 5 years and the loan bears a negotiable interest.
- (ii) The purpose of this loan is to finance the construction of Binh Phuoc Cement Plant project and Phu Huu Grinding Terminal located at Binh Long Town, Binh Phuoc Province and at District 9, Ho Chi Minh City. This project is also the collateral asset for the loan. The term of this loan is 18 years and the loan bears a negotiable interest.
- (iii) The purpose of these loans is to finance the purchases of the equipment package No. 1 using for Binh Phuoc Cement Plant project. These loans are under guarantee from the Ministry of Finance. The term of these loans is 13 years and the loans bear an interest rate of EURIBOR 6 months and LIBOR six (6) months plus a marginal interest.
- (iv) The purpose of these loans is to finance the construction of Ha Tien 2.2 project. The collateral asset of these loans is the right to use the land of 7,243,385 square meter and the assets built on the land located at Kien Luong Town, Kien Giang Province. The term of these loans is 13 years and the loans bear negotiable interests.
- (v) The purpose of this loan is to finance the construction of Ha Tien 2.2 project located at Kien Luong Town, Kien Giang Province. The project is also the collateral asset of the loan. The term of this loan is 11 years and the loan bears negotiable interests.
- (vi) The purpose of these loans is to finance the construction of Long An Grinding Terminal project located at Ben Luc District, Long An Province. This project is also the collateral asset for these loans. The term of these loans is 11 years and the loans bear a negotiable interest.
- (vii) The purpose of this loan is to finance the construction of Ha Tien 2.2 project located at Kien Luong Town, Kien Giang Province. These loans are under guarantee from the Ministry of Finance. The term of these loans is 13 years and the loans bear an interest rate of EURIBOR 6 months rate plus a marginal interest.
- (viii) The purpose of these loans is to finance the receipt of Cam Ranh Grinding Terminal project located at Cam Ranh City, Khanh Hoa Province. This project is also the collateral asset for these loans. The term of these loans is ten (10) years and the loans bear a negotiable interest.

19.3 Long-term loans from related parties

	<i>Ending balance</i>	<i>Maturity date</i>
	<i>VND</i>	
Cement Finance Joint Stock Company ("CFC")	59,088,008,865	26 April 2020
Vietnam Cement Industry Corporation ("VICEM")	<u>17,568,573,607</u>	25 April 2020
TOTAL	<u>76,656,582,472</u>	
<i>In which:</i>		
<i>Current portion</i>	<i>3,000,000,000</i>	
<i>Nont-current portion</i>	<i>73,656,582,472</i>	

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

19. LOANS (continued)

19.3 Long-term loans from related parties (continued)

This is an unsecured loans to finance the construction of Cam Ranh Grinding Terminal project. The term of these loans are 7 years and 6 months, and 10 years, respectively, and the loan bears a negotiable interest.

20. PROVISION

	VND	
	Ending balance	Beginning balance
Short-term	51,866,723,166	51,487,998,567
Mineral exploration right expenses	32,457,499,416	51,487,998,567
Expense for moving of Thu Duc Grinding Station (*)	19,409,223,750	-
Long-term	5,883,800,194	5,012,014,583
Provision for decommissioning cost	<u>5,883,800,194</u>	<u>5,012,014,583</u>
TOTAL	<u>57,750,523,360</u>	<u>56,500,013,150</u>

(*) The plan for reallocation of Thu Duc Grinding Station is based on Decision No. 86/2010/QD/TTg issued by the Prime Minister on 22 December 2010 and Notification No. 769/TB-VP issued by People's Committee of Ho Chi Minh City on 5 October 2015.

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

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Other owners' capital	Foreign exchange differences reserve	Investment and development fund	Undistributed earnings	VND Total
Previous year								
Beginning balance	3,180,000,000,000	70,790,410,045	(902,752,100)	5,517,214,120	(208,252,407,562)	142,991,341,928	6,799,835,587	3,196,943,642,018
Impact of restatement	-	-	-	-	-	-	3,866,189,044	3,866,189,044
Beginning balance - As restated (*)	3,180,000,000,000	70,790,410,045	(902,752,100)	5,517,214,120	(208,252,407,562)	142,991,341,928	10,666,024,631	3,200,809,831,062
Net profit for the year	-	-	-	-	-	-	304,929,116,394	304,929,116,394
Foreign exchange differences	-	-	-	-	208,252,407,562	-	-	208,252,407,562
Ending balance	<u>3,180,000,000,000</u>	<u>70,790,410,045</u>	<u>(902,752,100)</u>	<u>5,517,214,120</u>	<u>-</u>	<u>142,991,341,928</u>	<u>315,595,141,025</u>	<u>3,713,991,355,018</u>
Current year								
Beginning balance	3,180,000,000,000	70,790,410,045	(902,752,100)	5,517,214,120	-	142,991,341,928	315,595,141,025	3,713,991,355,018
Net profit for the year	-	-	-	-	-	-	738,694,490,852	738,694,490,852
Profit appropriation	-	-	-	-	-	59,027,797,080	(85,262,373,560)	(26,234,576,480)
Ending balance	<u>3,180,000,000,000</u>	<u>70,790,410,045</u>	<u>(902,752,100)</u>	<u>5,517,214,120</u>	<u>-</u>	<u>202,019,139,008</u>	<u>969,027,258,317</u>	<u>4,426,451,269,390</u>

(*) Undistributed earnings line at 31 December 2013 were restated by the Company's management in accordance with Decision No. 622/QD-KTNN dated 8 April 2014 of Auditors General of State of Audit Office of Vietnam.

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

21. OWNERS' EQUITY (continued)

21.2 Shares

	Ending balance		Beginning balance	
	Quantity	VND	Quantity	VND
Authorized shares	318,000,000	3,180,000,000,000	318,000,000	3,180,000,000,000
Issued shares				
<i>Issued and paid-up shares</i>				
Ordinary shares	318,000,000	3,180,000,000,000	318,000,000	3,180,000,000,000
Treasury shares				
Ordinary shares	48,000	480,000,000	48,000	480,000,000
Shares in circulation				
Ordinary shares	317,952,000	3,179,520,000,000	317,952,000	3,179,520,000,000

22. REVENUES

22.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	8,001,188,091,758	7,043,112,350,206
<i>Of which:</i>		
Cement, clinker	7,815,578,275,683	6,894,310,687,448
Mortar, bricks of all kinds, sand, materials and services	185,609,816,075	148,801,662,758
Less	(392,738,197,205)	(285,025,142,717)
Trade discounts	<u>(392,738,197,205)</u>	<u>(285,025,142,717)</u>
NET	<u>7,608,449,894,553</u>	<u>6,758,087,207,489</u>
<i>Of which:</i>		
Cement, clinker	7,422,877,133,478	6,609,336,268,731
Mortar, bricks of all kinds, sand, materials and services	185,572,761,075	148,750,938,758
<i>Of which:</i>		
Sale to others	7,439,461,951,659	6,672,548,672,102
Sale to related parties	168,987,942,894	85,538,535,387

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

22. REVENUE (continued)

22.2 Finance income

	VND	
	<i>Current year</i>	<i>Previous year</i>
Foreign exchange gains	63,584,295,198	263,802,823,961
Bank interest income	2,233,341,547	2,873,701,453
Receipt of dividends	1,981,653,000	1,308,657,200
Others	31,172,705,619	23,621,318,892
TOTAL	<u>98,971,995,364</u>	<u>291,606,501,506</u>

23. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of cement, clinker	5,751,469,317,851	5,226,325,733,983
Cost of mortar, bricks of all kinds, sand, materials and services	182,935,344,050	198,062,027,946
TOTAL	<u>5,934,404,661,901</u>	<u>5,424,387,761,929</u>

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses incurred in the year	85,717,896,929	321,102,905,652
Labour cost	36,160,502,716	29,988,480,783
Expenses for external services	26,102,900,378	25,554,049,003
Promotion and customer loyalty programs	-	231,927,038,890
Other expenses	23,454,493,835	33,633,336,976
General and administrative expenses incurred in the year	282,054,859,279	164,217,124,827
Goodwill and trade mark allocation	107,834,853,996	53,917,427,004
Labour cost	53,904,070,428	42,176,331,393
Expenses for external services	41,535,206,515	26,956,440,095
Others	78,780,728,340	41,166,926,335
TOTAL	<u>367,772,756,208</u>	<u>485,320,030,479</u>

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

25. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	416,658,026,801	522,707,830,704
Provision for diminution in value (reversal of provision) of held-for-trading securities and investments in capital	23,959,984,700	(1,406,004,400)
Discounts for early payment	17,855,043,931	13,173,246,960
Foreign exchange losses	5,268,352,699	211,220,368,561
TOTAL	<u>463,741,408,131</u>	<u>745,695,441,825</u>

26. OTHER INCOME AND EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Other income	10,274,968,927	9,653,054,844
Gain from revaluation of assets used for investment	9,068,834,221	-
Proceeds from disposal of fixed assets	679,268,109	12,090,909
Others	526,866,597	9,640,963,935
Other expenses	(1,648,201,135)	(8,247,694,929)
Depreciation of unused fixed assets	(457,428,579)	(2,455,864,281)
Others	(1,190,772,556)	(5,791,830,648)
NET	<u>8,626,767,792</u>	<u>1,405,359,915</u>

27. PRODUCTION AND OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	4,036,745,450,923	3,869,177,962,839
Labour costs	591,451,714,381	495,660,744,915
Depreciation and amortisation	618,386,231,931	636,655,557,042
Expenses for external services and other expenses	901,924,647,960	975,009,010,310
TOTAL	<u>6,148,508,045,195</u>	<u>5,976,503,275,106</u>

28. CORPORATE INCOME TAX

The current corporate income tax ("CIT") rate applicable to the Company is 22% of taxable profits. The tax rate will be 20% of taxable profit in year 2016.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

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

28. CORPORATE INCOME TAX (continued)

28.1 CIT expense

	VND	
	Current year	Previous year
Current tax expense	218,893,558,258	90,766,718,283
Adjustment for under accrual of tax from prior years	1,440,355,031	-
Deferred tax income	(8,898,572,672)	-
TOTAL	211,435,340,617	90,766,718,283

28.2 Current CIT

The current tax payable is based on taxable profit for the current year. The taxable profit of the Company for the year differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

A reconciliation between the profit before tax as reported in the income statement and taxable profit is presented below:

	VND	
	Current year	Previous year
Accounting profit before tax	950,129,831,469	395,695,834,677
<i>Adjustments:</i>		
Accrued expenses	44,502,036,942	-
Dividends income	(1,981,653,000)	(1,308,657,200)
Allocation of foreign exchange losses deducted under tax base in prior years	-	48,389,554,036
Unrealised foreign exchange loss added back for CIT computation in prior years	-	(35,350,970,998)
Others	2,320,503,943	5,150,231,680
Estimated taxable profit	994,970,719,354	412,575,992,195
Estimated current CIT expense	218,893,558,258	90,766,718,283
Adjustment for under accrual of tax from prior years	1,440,355,031	-
Total estimated CIT expense	220,333,913,289	90,766,718,283
CIT payable (over-paid) at beginning of year	69,490,005,375	(3,315,267,045)
CIT paid during the year	(221,715,121,990)	(17,961,445,863)
CIT payable at end of year	68,108,796,674	69,490,005,375
<i>In which:</i>		
CIT payable (Note 15)	68,108,796,674	71,103,650,583
CIT over-paid	-	(1,613,645,208)

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

28. CORPORATE INCOME TAX (continued)

28.3 *Deferred tax*

The following are the deferred tax assets and deferred tax liabilities recognised by the Company, and the movements thereon, during the current and previous years.

	<i>Balance sheet</i>		<i>Income statement</i>		VND
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>	
Accrued expenses	8,900,407,388	-	8,900,407,388	-	
Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currencies	(1,834,716)	-	(1,834,716)	-	
Net deferred tax assets	8,898,572,672	-			
Net deferred tax income			8,898,572,672	-	

29. TRANSACTIONS WITH RELATED PARTIES

Terms and conditions of transactions with related parties

Related party transactions include all transactions undertaken with other companies to which the Company is related, either through the investor, investee relationship or because they share a common investor and thus are considered to be a part of the same corporate company. Sales and purchases to/from related parties are made on the basis of negotiated contracts.

Related parties of the Company are mainly parties under the Vietnam Cement Industry Corporation.

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
Vietnam Cement Industry Corporation	Parent company	Consultancy service fee	55,845,016,030	39,677,182,238
		Sale of cements	8,702,519,530	14,439,005,687
		Interest expenses	1,246,880,711	1,246,880,713
		Other service fees	483,974,762	1,151,658,590
		Purchase of clinkers	-	229,046,996,076
		System of kiln inlet sealing	-	6,476,903,082
		Supporting expenses	1,800,000,000	5,500,000,000
Central Region Cement Joint Stock Company	Related party	Processing cement fees	2,684,649,000	-
Vicem But Son Cement Joint Stock Company	Related party	Sale of sands	156,450,000	152,633,182
Holcim Vietnam Ltd.	Related party	Sale of sand, clinkers	154,650,708,764	61,270,228,848
Ha Tien Transport Joint Stock Company	Related party	Transportation fees	164,599,905,443	169,671,115,343
		Service provided	289,278,720	250,354,531
Vicem Gypsum and Cement Joint Stock Company	Related party	Purchase of gymsums	8,271,638,952	3,791,201,400
Bim Son Cement Joint Stock Company	Related party	Purchase of clinkers	5,918,752,842	17,943,283,456
		Sale of sand, clinker and processing cement	954,179,639	7,095,775,195
Ha Tien Packaging Joint Stock Company	Related party	Purchase of packages	7,826,380,879	23,648,844,107
Cement Finance Joint Stock Company	Related party	Interest expenses	5,762,677,259	7,098,706,378

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with these related parties during the year were as follows: (continued)

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Current year</i>	<i>Previous year</i>
				<i>VND</i>
Vicem Hoang Mai Cement Joint Stock Company	Related party	Sale of sands	175,595,455	1,806,483,808
Cement Consultant in Investment and Development Company	Related party	Consultancy service fee	3,167,161,805	2,489,596,510
Vicem Hai Van Cement Joint Stock Company	Related party	Sale of sands	18,818,182	18,545,455
		Processing fee	1,873,090,910	-
Vicem Hai Phong Cement Company Limited	Related party	Advertising expense	500,000,000	-
		Sale of sands	138,634,365	136,613,454
		Purchase of clinkers	-	15,360,287,087
Vicem Cement Technology Institution	Related party	Training fees	451,340,000	494,496,000
Vicem Hoang Thach Transport Joint Stock Company	Related party	Sale of sand	175,200,000	216,409,091
Vicem Tam Diep Cement Company Limited	Related party	Sale of sand	154,513,000	152,486,136
Vicem Packaging But Son Joint Stock Company	Related party	Sale of cements	5,118,035,183	-
Hai Phong Cement Transportation and Commercial Joint Stock Company	Related party	Transportation fees	8,736,997,074	-
Training center for cement industry	Related party	Training fees	344,020,000	114,320,000
Vicem Hoang Thach Consuming and Service Enterprise	Related party	Purchase of clinkers	126.332.954.490	-
Vicem Da Nang Building Material Joint Stock Company	Related party	Project relating expenses	30,780,990,714	-
		Purchase of packages	-	23,606,076,060
Hai Phong Cement Packaging Joint Stock Company	Related party	Purchase of packages	-	27,853,935,200

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet date were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>VND Beginning balance</i>
Short-term trade receivables				
Holcim Vietnam Ltd.	Related party	Sale of sands, clinkers	34,938,447,027	9,314,351,475
Vicem But Son Cement Joint Stock Company	Related party	Sale of sands	172,095,000	-
Hai Phong Cement Company Limited	Related party	Sale of sands	50,832,600	-
Ha Tien Transport Joint Stock Company	Related party	Revenue from rendering of services	30,381,552	17,177,832
			<u>35,191,756,179</u>	<u>9,331,529,307</u>
Short-term advance to suppliers				
Cement Consultant in Investment and Development Company	Related party	Consultancy fees	<u>815,275,000</u>	<u>1,560,687,700</u>

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet date were as follows: (continued)

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>VND Beginning balance</i>
Short-term trade payables				
Ha Tien Transport Joint Stock Company	Related party	Transportation fees	(118,470,471,001)	(148,456,730,854)
Vicem Hoang Thach Consuming and Service Enterprise	Related party	Purchase of clinkers	(86,435,050,460)	-
Vietnam Cement Industry Corporation	Parent company	Consultancy fees	(36,040,586,166)	(43,644,900,462)
		Purchase of clinkers	-	(67,959,596,506)
		Examination fees	-	(1,979,002,000)
		Other services fees	(420,538,400)	-
Hai Phong Cement Transportation and Commercial Joint Stock Company	Related party	Transportation fees	(2,197,301,670)	-
Vicem Hai Van Cement Joint Stock Company	Related party	Purchase of clinkers	(2,060,400,000)	-
Ha Tien Packaging Joint Stock Company	Related party	Purchase of packages	(1,689,179,360)	(6,942,301,092)
Cement Consultant in Investment and Development Company	Related party	Consultancy fees	(1,083,873,950)	(1,368,293,741)
Bim Son Cement Joint Stock Company	Related party	Purchase of clinkers	-	(1,242,000,000)
Hai Phong Cement Packing Joint Stock Company	Related party	Purchase of packages	-	(2,870,437,636)
Vicem Hai Phong Cement Company Limited	Related party	Advertising expenses	-	(13,200,000,000)
Vicem Da Nang Building Material Joint Stock Company	Related party	Purchase of packages	-	(604,593,450)
Training center for cement industry	Related party	Training fees	-	(56,320,000)
			<u>(248,397,401,007)</u>	<u>(288,324,175,741)</u>

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet date were as follows: (continued)

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>VND Beginning balance</i>
Short-term advance from customers				
Bim Son Cement Joint Stock Company	Related party	Advance for processing of cements	<u>(6,317,113,019)</u>	<u>(7,366,710,623)</u>
Short-term accrued expenses				
Cement Finance Joint Stock Company	Related party	Interest expense	(1,016,757,533)	(1,139,436,390)
Vietnam Cement Industry Corporation	Parent company	Interest expense	<u>(628,564,524)</u>	<u>(82,602,810,802)</u>
			<u>(1,645,322,057)</u>	<u>(83,742,247,192)</u>
Other short-term payables				
Ha Tien Transport Joint Stock Company	Related party	Contract guarantee expenses	(50,000,000,000)	(50,000,000,000)
Vietnam Cement Industry Corporation	Parent company	Charity contribution	-	(9,000,000,000)
			<u>(50,000,000,000)</u>	<u>(59,000,000,000)</u>
Long-term loans				
Cement Finance Joint Stock Company	Related party	Long-term loans	(59,088,008,865)	(63,088,008,865)
Vietnam Cement Industry Corporation	Parent company	Long-term loans	<u>(17,568,573,607)</u>	<u>(17,568,573,607)</u>
			<u>(76,656,582,472)</u>	<u>(80,656,582,472)</u>

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

29. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration to members of the Board of Directors and management during the year were as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Salaries and bonus	4,463,877,294	3,630,464,802
Allowance	471,000,000	465,000,000
TOTAL	<u>4,934,877,294</u>	<u>4,095,464,802</u>

30. EARNINGS PER SHARE

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

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Earnings per share are calculated as follows:

	<i>Current year</i>	<i>Previous year (restated)</i>
Net profit after tax (VND)	738,694,490,852	304,929,116,394
Bonus and welfare fund (VND) (*)	-	(26,234,576,480)
Net profit attributable to ordinary equity holders (VND)	<u>738,694,490,852</u>	<u>278,694,539,914</u>
Weighted average number of shares (shares)	317,952,000	317,952,000
Earnings per share (VND/share)		
- Basic	2,323	877
- Diluted	2,323	877

There were no potential dilutive ordinary shares as at the balance sheet date.

(*) Appropriation of bonus and welfare fund for previous year is calculated at 20% of net profit after tax in accordance with Annual General Meeting 2015's Resolution on 23 April 2015.

31. OPERATING LEASE COMMITMENTS

The Company leases land and warehouse under operating lease arrangements. The minimum lease commitments as at 31 December 2015 under the operating lease agreements are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	17,813,585,588	31,083,167,596
From 1 - 5 years	36,959,700,909	24,896,717,924
More than 5 years	293,262,467,347	214,566,225,900
TOTAL	<u>348,035,753,844</u>	<u>270,546,111,420</u>

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

32. OFF BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Beginning balance</i>
1. Goods held under trust (VND)	-	95,889,896
2. Doubtful debts written off (VND)	1,395,687,412	1,395,687,412
3. Foreign currencies:		
- United States dollar (USD)	188,718	147,701
- Euro (EUR)	95	129

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, cash, short-term deposit, short-term and long-term investments that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

The sensitivity analyses in the following sections relate to the position as at 31 December 2015 and 31 December 2014.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

In calculating the sensitivity analyses, management assumed that the sensitivity of the balance sheet relates to financial instruments; and the sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2015 and 31 December 2014.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's short-term bank deposits, short-term and long-term loans and other long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by keeping close watch on relevant market situation, including domestic and international money market and economic, in order to contemplate and adapt its leverage level as well as financing strategies to the prevailing situation.

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of short-term bank deposits, short-term and long-term loans and other long-term debt obligations with floating interest rates.

With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

	<i>Increase/decrease in basis points</i>	<i>VND Effect on profit before tax</i>
<i>Current year</i>		
USD	+5	(3,260,348,611)
EUR	+1	(1,593,652,909)
VND	+3	(10,808,994,884)
USD	-5	3,260,348,611
EUR	-1	1,593,652,909
VND	-3	10,808,994,884
<i>Previous year</i>		
USD	+5	(378,450,585)
EUR	+1	(202,747,094)
VND	+3	(1,296,602,332)
USD	-5	378,450,585
EUR	-1	202,747,094
VND	-3	1,296,602,332

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company manages its foreign currency risk by hedging transactions that are expected to occur in the future.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the EUR and USD exchange rate, with all other variables held constant, of the Company's foreign exchange gain or loss (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material:

	<i>Change in USD rate</i>	<i>Change in EUR rate</i>	<i>VND Effect on profit before tax</i>
<i>Current year</i>			
	4.2%	7.7%	(147,427,072,476)
	-4.2%	-7.7%	147,427,072,476
<i>Previous year</i>			
	4.2%	7.7%	(187,911,645,221)
	-4.2%	-7.7%	187,911,645,221

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Company's Board of Directors reviews and approves all equity investment decisions.

As at 31 December 2015, the exposure to listed equity securities at fair value was VND 38,100,937,000 (31 December 2014: VND 62,041,229,700). A decrease of 10% in the value of the listed securities could have an impact of approximately VND 3,810,093,700 (31 December 2014: VND 6,204,122,970) on the Company's profit before tax, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would increase the Company's profit before tax by VND 3,810,093,700 (31 December 2014: VND 6,204,122,970).

Commodity price risk

The Company exposes to commodity price risk in relation to purchase of certain commodities. The Company manages its commodity price risk by keeping close watch on relevant information and situation of commodity market in order to properly manage timing of purchases, production plans and inventories level.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed by the Company based on its established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on credit assessments and comments.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analyzed at each balance sheet date on an individual basis for major clients. The Company seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Bank deposits

The Company's bank balances are mainly maintained with well-known banks in Vietnam. The Company's maximum exposure to credit risk for the components of the balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Company evaluates the concentration of credit risk in respect to bank deposit as low.

Liquidity risk

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

The Company monitors its liquidity risk by maintaining a level of cash and bank loans deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

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

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual discounted payments:

	<i>Less than 1 year</i>	<i>From 1 to 5 years</i>	<i>More than 5 years</i>	<i>VND Total</i>
Ending balance				
Loans	1,541,823,432,543	3,527,517,287,429	889,506,525,349	5,958,847,245,321
Trade payables	911,117,587,428	-	-	911,117,587,428
Other payables and accrued expenses	145,097,576,474	-	-	145,097,576,474
	<u>2,598,038,596,445</u>	<u>3,527,517,287,429</u>	<u>889,506,525,349</u>	<u>7,015,062,409,223</u>
Beginning balance				
Loans	2,110,415,323,465	3,354,898,316,031	1,742,236,439,646	7,207,550,079,142
Trade payables	1,020,201,834,642	-	-	1,020,201,834,642
Other payables and accrued expenses	297,644,153,921	-	-	297,644,153,921
	<u>3,428,261,312,028</u>	<u>3,354,898,316,031</u>	<u>1,742,236,439,646</u>	<u>8,525,396,067,705</u>

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it as low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Collaterals

There are certain fixed assets to be pledged by the Company to obtain the long-term loans (*Note 19*).

The Company did not hold collateral at 31 December 2015 and 31 December 2014.

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

34. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Carrying amount				Fair value		VND
	Ending balance		Beginning balance		Ending balance	Beginning balance	
	Cost	Provision	Cost	Provision			
Financial assets							
Held for trading investments	66,776,291,414	(28,675,354,414)	66,756,599,414	(4,715,369,714)	38,100,937,000	62,041,229,700	
<i>Short-term investments</i>							
<i>in listed shares</i>	10,776,291,414	(3,587,354,414)	10,756,599,414	(4,715,369,714)	7,188,937,000	6,041,229,700	
<i>Long-term investments</i>							
<i>in listed shares</i>	56,000,000,000	(25,088,000,000)	56,000,000,000	-	30,912,000,000	56,000,000,000	
Short-term deposit	-	-	30,000,000,000	-	-	30,000,000,000	
Trade receivables	288,475,439,247	(2,761,659,300)	416,373,130,811	(2,761,659,300)	285,713,779,947	413,611,471,511	
Receivable from related parties	35,191,756,179	-	9,331,529,307	-	35,191,756,179	9,331,529,307	
Other receivables	7,997,225,133	-	16,794,935,506	-	7,997,225,133	16,794,935,506	
Cash	345,519,758,971	-	219,000,746,505	-	345,519,758,971	219,000,746,505	
TOTAL	743,960,470,944	(31,437,013,714)	758,256,941,543	(7,477,029,014)	712,523,457,230	750,779,912,529	

	Carrying amount				Fair value		VND
	Ending balance		Beginning balance		Ending balance	Beginning balance	
Financial liabilities							
Loans from banks			5,882,190,662,849	7,126,893,496,670	5,882,190,662,849	7,126,893,496,670	
Trade payables			662,720,186,421	731,877,658,901	662,720,186,421	731,877,658,901	
Payable to related parties			381,371,096,498	519,089,716,027	381,371,096,498	519,089,716,027	
Other payables and accrued expenses			88,780,463,455	147,535,196,107	88,780,463,455	147,535,196,107	
TOTAL			7,015,062,409,223	8,525,396,067,705	7,015,062,409,223	8,525,396,067,705	

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

34. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

The following method and assumption were used to estimate the fair values:

- ▶ Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ▶ The fair value of loans from banks and other financial liabilities approximate their carrying amounts given the market interest rates born by these financial liabilities.
- ▶ Fair value of available-for-sale financial assets is derived from quoted market prices in active markets, if available.

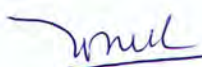
35. RECLASSIFICATION OF CORRESPONDING FIGURES

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

	<i>Beginning balance (previously presented)</i>	<i>Reclassification</i>	<i>Beginning balance (reclassified)</i>	VND
BALANCE SHEET				
Short-term investments	40,756,599,414	(40,756,599,414)	-	-
Held-for-trading securities	-	10,756,599,414	10,756,599,414	10,756,599,414
Held-to-maturity investments	-	30,000,000,000	30,000,000,000	30,000,000,000
Other short-term receivables	33,640,289,200	879,992,999	34,520,282,199	34,520,282,199
Inventories	983,869,400,448	(177,787,560,306)	806,081,840,142	806,081,840,142
Other current assets	879,992,999	(879,992,999)	-	-
Other long-term assets	9,593,600,647	(9,593,600,647)	-	-
Other long-term receivables	-	9,593,600,647	9,593,600,647	9,593,600,647
Long-term tools, supplies and spart parts	-	177,787,560,306	177,787,560,306	177,787,560,306
Short-term accrued expenses	394,975,021,501	(56,500,013,150)	338,475,008,351	338,475,008,351
Short-term provision	-	51,487,998,567	51,487,998,567	51,487,998,567
Other long-term provision	-	5,012,014,583	5,012,014,583	5,012,014,583
Investment and development fund	105,804,960,608	37,186,381,320	142,991,341,928	142,991,341,928
Financial reserve fund	37,186,381,320	(37,186,381,320)	-	-

36. EVENTS AFTER THE BALANCE SHEET DATE

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



Nguyen Thi Loan
Preparer



Le Thi Phuong Dung
Head of
Finance and Accounting Department



Nguyen Tuan Anh
General Director

22 March 2016