

**Vietnam Sun Corporation**

Interim consolidated financial statements

30 June 2014



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# Vietnam Sun Corporation

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# Vietnam Sun Corporation

## GENERAL INFORMATION

### THE COMPANY

Vietnam Sun Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103001723 issued by the Department of Planning and Investment of Ho Chi Minh City on 17 July 2003, as amended.

The Company's shares are listed on the Ho Chi Minh Stock Exchange in accordance with the License No. 81/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 23 July 2008.

The current principal activities of the Company are to provide taxi transportation services and contractual passenger transport; to render inbound and outbound tourism services; to act as air ticket agent and to lease out spaces.

The Company's registered head office is located at No. 648, Nguyen Trai Street, Ward 11, District 5, Ho Chi Minh City, Vietnam.

### BOARD OF DIRECTORS

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

Mr Dang Phuoc Thanh	Chairman
Mr Tran Van Bac	Member
Mr Ta Long Hy	Member
Mrs Dang Thi Lan Phuong	Member
Mr Truong Dinh Quy	Member
Mr Vu Ngoc Anh	Member
Mr Tran Anh Minh	Member

### BOARD OF SUPERVISION

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

Mrs Mai Thi Kim Hoang	Head of Broad of Supervision
Mr Nguyen Anh Tung	Member
Mr Huynh Van Tuong	Member

### MANAGEMENT

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

Mrs Dang Thi Lan Phuong	General Director
Mr Ta Long Hy	Deputy General Director
Mr Nguyen Trong Duy	Deputy General Director
Mr Huynh Van Sy	Deputy General Director
Mr Dang Phuoc Hoang Mai	Deputy General Director
Mr Tran Anh Minh	Deputy General Director
Mr Nguyen Bao Toan	Deputy General Director
Mr Truong Dinh Quy	Deputy General Director
Mr Dang Thanh Duy	Deputy General Director

### LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mrs Dang Thi Lan Phuong.

### AUDITORS

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



# Vietnam Sun Corporation

## REPORT OF MANAGEMENT

Management of Vietnam Sun Corporation ("the Company") is pleased to present its report and the interim consolidated financial statements of the Company and its subsidiary (collectively referred to as the "Group") for the six-month period ended 30 June 2014.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2014 and of the interim consolidated results of operations and its interim consolidated cash flows for the six-month period then ended, in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.

For and on behalf of management:



Dang Thi Lan Phuong  
General Director

18 August 2014





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Reference: 61059820/16997933

## REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To: **The Shareholders of Vietnam Sun Corporation**

We have reviewed the accompanying interim consolidated financial statements of Vietnam Sun Corporation ("the Company") and its subsidiary (collectively referred to as the "Group") as set out on pages 4 to 34 which comprise the interim consolidated balance sheet as at 30 June 2014, and the interim consolidated income statement and interim consolidated cash flow statement for the six-month period then ended and the notes thereto.

The preparation and presentation of these interim consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim consolidated financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 – Engagements to Review Financial Statements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim consolidated financial statements are free from material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Company as at 30 June 2014, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of interim consolidated financial statements.



Ernst & Young Vietnam Limited

Mai Viet Hung Tran  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 0048-2013-004-1

Hang Nhat Quang  
Auditor  
Audit Practicing Registration Certificate  
No. 1772-2013-004-1

Ho Chi Minh City, Vietnam

18 August 2014



INTERIM CONSOLIDATED BALANCE SHEET  
as at 30 June 2014

VND

Code	ASSETS	Notes	30 June 2014	31 December 2013
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>343,741,461,947</b>	<b>406,857,514,505</b>
<b>110</b>	<b>I. Cash</b>	<b>4</b>	<b>164,889,053,690</b>	<b>208,554,172,466</b>
111	1. Cash		164,889,053,690	208,554,172,466
<b>130</b>	<b>II. Current accounts receivable</b>		<b>135,882,121,736</b>	<b>162,963,097,759</b>
131	1. Trade receivables	5	57,489,945,890	53,484,606,018
132	2. Advances to suppliers	6	67,676,596,308	98,204,215,147
135	3. Other receivables	7	11,565,675,417	12,150,163,625
139	4. Provision for doubtful debts	5	(850,095,879)	(875,887,031)
<b>140</b>	<b>III. Inventories</b>	<b>8</b>	<b>5,423,814,486</b>	<b>5,166,247,563</b>
141	1. Inventories		5,423,814,486	5,166,247,563
<b>150</b>	<b>IV. Other current assets</b>		<b>37,546,472,035</b>	<b>30,173,996,717</b>
151	1. Short-term prepaid expenses	9	24,940,785,114	19,430,949,802
152	2. Value-added tax deductible		192,551,789	360,955,216
154	3. Tax and other receivables from the State		55,593,144	71,272,181
158	4. Other current assets	10	12,357,541,988	10,310,819,518
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,909,158,063,693</b>	<b>1,609,580,553,776</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>1,892,008,695,542</b>	<b>1,588,564,555,218</b>
221	1. Tangible fixed assets	11	1,690,617,552,736	1,497,886,037,839
222	Cost		2,899,761,225,157	2,608,207,152,631
223	Accumulated depreciation		(1,209,143,672,421)	(1,110,321,114,792)
224	2. Finance leases	12	184,140,818,137	90,178,019,836
225	Cost		222,760,543,383	115,295,165,613
226	Accumulated depreciation		(38,619,725,246)	(25,117,145,777)
227	3. Intangible assets	13	225,494,249	399,266,243
228	Cost		1,168,289,000	1,168,289,000
229	Accumulated amortisation		(942,794,751)	(769,022,757)
230	4. Construction in progress	14	17,024,830,420	101,231,300
<b>240</b>	<b>II. Investment properties</b>	<b>15</b>	<b>11,569,834,250</b>	<b>11,569,834,250</b>
241	1. Cost		11,569,834,250	11,569,834,250
<b>250</b>	<b>III. Long-term investment</b>		-	-
258	1. Other long-term investment		-	1,500,000,000
259	2. Provision for long-term investment		-	(1,500,000,000)
<b>260</b>	<b>IV. Other long-term assets</b>		<b>5,579,533,901</b>	<b>9,446,164,308</b>
261	1. Long-term prepaid expenses	16	4,664,533,901	8,531,164,308
262	2. Deferred tax assets		440,000,000	440,000,000
268	3. Other long-term assets		475,000,000	475,000,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,252,899,525,640</b>	<b>2,016,438,068,281</b>



INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 30 June 2014

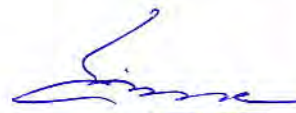
VND


Code	RESOURCES	Notes	30 June 2014	31 December 2013
<b>300</b>	<b>A. LIABILITIES</b>		<b>963,427,493,195</b>	<b>858,197,948,769</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>417,672,152,445</b>	<b>463,038,173,771</b>
311	1. Short-term loans	22	267,788,500,446	224,730,302,577
	<i>In which:</i>			
	- Current portion of long-term loans and debts		267,788,500,446	224,730,302,577
312	2. Trade payables		36,924,921,427	21,856,034,006
313	3. Advances from customers	17	7,108,918,956	6,478,796,518
314	4. Statutory obligations	18	38,013,694,861	43,947,511,970
315	5. Payables to employees		15,886,505,280	36,720,909,950
316	6. Accrued expenses	19	18,141,363,852	2,054,821,963
319	7. Other payables	20	11,777,665,898	102,466,525,447
323	8. Bonus and welfare funds		22,030,581,725	24,783,271,340
<b>330</b>	<b>II. Non-current liabilities</b>		<b>545,755,340,750</b>	<b>395,159,774,998</b>
333	1. Other long-term liabilities	21	133,705,337,260	124,332,332,176
334	2. Long-term loans and debts	22	411,552,431,858	270,266,307,361
338	3. Unearned revenues		497,571,632	561,135,461
<b>400</b>	<b>B. OWNERS' EQUITY</b>		<b>1,284,255,336,005</b>	<b>1,153,446,987,822</b>
<b>410</b>	<b>I. Capital</b>	<b>23.1</b>	<b>1,284,255,336,005</b>	<b>1,153,446,987,822</b>
411	1. Share capital		565,495,160,000	434,998,180,000
412	2. Share premium		200,026,023,110	330,523,003,110
417	3. Investment and development fund		100,988,286,547	85,888,844,655
418	4. Financial reserve fund		52,294,143,273	44,744,422,327
420	5. Undistributed earnings		365,451,723,075	257,292,537,730
<b>439</b>	<b>C. MINORITY INTERESTS</b>		<b>5,216,696,440</b>	<b>4,793,131,690</b>
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,252,899,525,640</b>	<b>2,016,438,068,281</b>

## OFF BALANCE SHEET ITEM

ITEM	30 June 2014	31 December 2013
Foreign currency - United States dollar (US\$)	8,366	5,229

  
Vo Thi Minh Thu  
Preparer

  
Dang Hoang Sang  
Chief Accountant

  
Dang Thi Lan Phuong  
General Director



18 August 2014



INTERIM CONSOLIDATED INCOME STATEMENT  
for the six-month period ended 30 June 2014

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
10	1. Net revenue from rendering of services	24.1	1,803,966,195,660	1,535,062,339,647
11	2. Cost of services rendered	25, 27	(1,498,814,792,617)	(1,273,794,070,207)
20	3. Gross profit from rendering of services		305,151,403,043	261,268,269,440
21	4. Finance income	24.2	3,045,106,505	212,585,776
22	5. Finance expenses		(31,236,438,185)	(39,069,395,255)
23	<i>In which: Interest expense</i>		(31,236,438,185)	(39,069,395,255)
24	6. Selling expenses	27	(72,017,911,372)	(63,024,812,698)
25	7. General and administrative expenses	27	(51,770,515,428)	(38,178,434,179)
30	8. Operating profit		153,171,644,563	121,208,213,084
31	9. Other income	26	60,514,063,916	12,854,906,087
32	10. Other expenses	26	(14,672,802,811)	(3,241,400,614)
40	11. Other profit	26	45,841,261,105	9,613,505,473
50	12. Profit before tax		199,012,905,668	130,821,718,557
51	13. Current corporate income tax expense	28	(43,782,839,247)	(32,705,429,639)
60	14. Net profit after tax		155,230,066,421	98,116,288,918
	<i>Attributable to:</i>			
61	14.1. Minority interests		423,564,750	353,088,204
62	14.2. Equity holders of the parent		154,806,501,671	97,763,200,714
70	15. Basic and diluted earnings per share	23.4	2,724	1,814



Vo Thi Minh Thu  
Preparer



Dang Hoang Sang  
Chief Accountant



Dang Thi Lan Phuong  
General Director

18 August 2014



INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the six-month period ended 30 June 2014

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Profit before tax</b>		<b>199,012,905,668</b>	<b>130,821,718,557</b>
	Adjustments for:			
02	Depreciation and amortisation	11, 12, 13	187,645,673,499	155,582,250,831
03	(Reversal of provisions) provisions		(1,525,791,152)	97,481,401
05	Profit from investing activities		(46,074,315,756)	(8,875,679,371)
06	Interest expense		31,236,438,185	39,069,395,255
08	<b>Operating profit before changes in working capital</b>		<b>370,294,910,444</b>	<b>316,695,166,673</b>
09	Decrease (increase) in receivables		25,304,251,411	(19,373,369,928)
10	(Increase) decrease in inventories		(257,566,923)	397,090,692
11	Decrease in payables		(5,218,193,968)	(538,964,332)
12	(Increase) decrease in prepaid expenses		(1,643,204,905)	1,467,731,199
13	Interest paid		(30,861,437,355)	(37,189,891,899)
14	Corporate income tax paid	28	(42,907,223,358)	(34,547,171,118)
15	Other cash inflows from operating activities		8,373,005,084	8,482,209,273
16	Other cash outflows from operating activities		(26,810,967,345)	(16,611,356,025)
20	<b>Net cash flows from operating activities</b>		<b>296,273,573,085</b>	<b>218,781,444,535</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase of fixed assets		(499,840,443,118)	(69,557,252,282)
22	Proceeds from disposal of fixed assets	26	57,690,909,126	11,481,363,633
26	Proceeds from investment in other entity		1,500,000,000	-
27	Interest received	24.2	3,043,475,765	212,071,918
30	<b>Net cash flows used in investing activities</b>		<b>(437,606,058,227)</b>	<b>(57,863,816,731)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		330,870,500,000	126,187,607,841
34	Repayment of borrowings		(126,544,586,663)	(251,832,823,654)
35	Payment of finance lease liabilities		(19,981,590,971)	(8,995,322,202)
36	Dividends paid to equity holders of the parent	23.2	(86,676,956,000)	(29,533,910,250)
40	<b>Net cash flows from (used in) financing activities</b>		<b>97,667,366,366</b>	<b>(164,174,448,265)</b>

INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the six-month period ended 30 June 2014

VND

Code	ITEMS	Notes	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
50	Net decrease in cash		(43,665,118,776)	(3,256,820,461)
60	Cash at beginning of period		208,554,172,466	28,297,580,375
70	Cash at end of period		164,889,053,690	25,040,759,914



Vo Thi Minh Thu  
Preparer



Dang Hoang Sang  
Chief Accountant




Dang Thi Lam Phuong  
General Director

18 August 2014



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
as at 30 June 2014 and for the six-month period then ended

## 1. CORPORATE INFORMATION

Vietnam Sun Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103001723 issued by the Department of Planning and Investment of Ho Chi Minh City on 17 July 2003, as amended.

The Company's shares are listed on the Ho Chi Minh Stock Exchange in accordance with the License No. 81/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 23 July 2008.

The current principal activities of the Company are to provide taxi transportation services and contractual passenger transport; to render inbound and outbound tourism services; to act as air ticket agent and to lease out spaces.

The Company's registered head office is located at No. 648, Nguyen Trai Street, Ward 11, District 5, Ho Chi Minh City, Vietnam.

The number of the Group's employees as at 30 June 2014 was 14,891 (31 December 2013: 14,214).

The Company has a subsidiary, Vinasun Green Joint Stock Company ("ADX"), which is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 0401378832 issued by the Department of Planning and Investment of Da Nang City on 10 September 2010, as amended. The head office of ADX is located at No. 277, Nguyen Huu Tho Street, Hoa Cuong Bac Ward, Hai Chau District, Da Nang City, Vietnam. Its current principal activity is to provide taxi transportation services. As at 30 June 2014, the Company held a 90% equity share in this subsidiary.

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

The interim consolidated financial statements of the Company and its subsidiary (the "Group"), expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No. 27 – Interim Financial Reporting and other Vietnamese Accounting Standards ("VAS") 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 interim consolidated balance sheet, interim consolidated income statement, interim consolidated cash flow statement and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of its operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

**2. BASIS OF PREPARATION (continued)**

**2.2 Applied accounting documentation system**

The Group's applied accounting documentation system is the Voucher Journal system.

**2.3 Fiscal year**

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

**2.4 Accounting currency**

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

**2.5 Basis of consolidation**

The interim consolidated financial statements comprise the interim financial statements of the parent company and its subsidiary for the six-month period ended 30 June 2014.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The interim financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company interim balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet, separately from parent shareholders' equity.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash**

Cash comprises cash on hand and cash in banks.

**3.2 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 tools and supplies, which are valued at cost of purchase 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 tools and supplies owned by the Group, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recorded into the cost of goods sold account in the interim consolidated income statement.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.3 Receivables**

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

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

#### **3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

#### **3.5 Leased assets**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised in the interim consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the interim consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

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

#### **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 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 interim consolidated income statement as incurred.

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 Depreciation and amortisation

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

Machinery and equipment	3 - 7 years
Means of transportation	6 - 10 years
Office equipment	3 - 7 years
Computer software	3 years

#### 3.8 Investment properties

Investment properties are stated at cost including transaction costs less accumulated amortisation.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the interim consolidated income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

#### 3.9 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of the fund and are recorded as expense during the period in which they are incurred.

#### 3.10 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the interim consolidated 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.

#### 3.11 Other long-term investment

Other long-term investment is stated at its acquisition costs. Provision is made for any diminution in value of the investment at the balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC and Circular No. 89/2013/TT-BTC issued by the Ministry of Finance on 7 December 2009 and 28 June 2013, respectively. Increases and decreases to the provision balance are recorded as finance expense in the interim consolidated income statement.

#### 3.12 Payable 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 Group.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting period for all employees who have more than 12 months in service up to the balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code, the Law on Social Insurance and related implementing guidance. Commencing 1 January 2009, the average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Any changes to the accrued amount will be taken to the interim consolidated income statement.

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

#### 3.14 *Foreign currency transactions*

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

#### 3.15 *Appropriation of net profits*

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

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

▶ *Financial reserve fund*

This fund is set aside to protect the Group's normal operations from business risks or losses, or to prepare for unforeseen losses or damages for objective reasons and force majeure, such as fire, economic and financial turmoil of the country or elsewhere.

▶ *Investment and development fund*

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

▶ *Bonus and welfare funds*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits.

#### 3.16 *Earnings per share*

Basic earnings per share amount is computed by dividing net profit for the period (before appropriation for bonus and welfare funds) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.17 Revenue recognition

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

##### *Rendering of services*

Revenues are recognised upon completion of the services provided.

##### *Interest income*

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

##### *Dividends*

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

##### *Rental income*

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

#### 3.18 Segment information

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

#### 3.19 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. 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 interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

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

##### *Deferred income 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. 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.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.19 *Taxation* (continued)

##### *Deferred income tax* (continued)

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the 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 interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

#### 3.20 *Financial instruments*

##### *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 in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210"), are classified, for disclosures in the notes to the interim consolidated financial statements, as financial assets at fair value through profit or loss, receivables or available-for-sale financial assets as appropriate. The Group determines the classification of its financial assets at initial recognition.

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

The Group's financial assets include cash, trade and other receivables and unquoted financial instruments.

###### Financial liabilities

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

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

The Group's financial liabilities include trade and other payables, loans and debts.

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

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

##### *Offsetting of financial instruments*

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 4. CASH

	VND	
	30 June 2014	31 December 2013
Cash on hand	8,766,074,814	10,783,323,607
Cash in banks	156,122,978,876	197,770,848,859
<b>TOTAL</b>	<b>164,889,053,690</b>	<b>208,554,172,466</b>

## 5. TRADE RECEIVABLES

	VND	
	30 June 2014	31 December 2013
Due from customers using taxi cards	46,719,503,090	41,719,676,317
Taxi drivers' remittance in transit	9,531,397,954	10,919,532,112
Others	1,239,044,846	845,397,589
<b>TOTAL</b>	<b>57,489,945,890</b>	<b>53,484,606,018</b>
Provision for doubtful debts	(850,095,879)	(875,887,031)
<b>NET</b>	<b>56,639,850,011</b>	<b>52,608,718,987</b>

Details of movements of provision for doubtful debts are as follows:

	VND	
	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
At beginning of period	875,887,031	652,628,443
Add: Provision made during the period	27,642,150	105,687,516
Less: Reversal of provision during the period	(53,433,302)	(8,206,115)
At end of period	850,095,879	750,109,844

## 6. ADVANCES TO SUPPLIERS

	VND	
	30 June 2014	31 December 2013
Advance for construction and lease of office building	64,358,390,961	62,927,798,711
Advance for purchases of vehicles	-	33,917,800,000
Others	3,318,205,347	1,358,616,436
<b>TOTAL</b>	<b>67,676,596,308</b>	<b>98,204,215,147</b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

**7. OTHER RECEIVABLES**

	<i>VND</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Personal income tax receivable from taxi drivers and staff	2,657,551,257	7,548,490,260
Airfare receivables	1,941,010,167	2,115,988,577
Social and health insurance receivable from taxi drivers and staff	939,520,703	868,564,286
Others	6,027,593,290	1,617,120,502
<b>TOTAL</b>	<b><u>11,565,675,417</u></b>	<b><u>12,150,163,625</u></b>

**8. INVENTORIES**

Inventories represent unused tools and supplies at the balance sheet date.

**9. SHORT-TERM PREPAID EXPENSES**

	<i>VND</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Car insurance	9,737,600,850	10,362,329,412
Road maintenance fees	3,027,060,500	455,935,552
Uniform	2,376,301,141	319,080,496
Tools and supplies in use	1,223,406,926	443,959,546
Others	8,576,415,697	7,849,644,796
<b>TOTAL</b>	<b><u>24,940,785,114</u></b>	<b><u>19,430,949,802</u></b>

**10. OTHER CURRENT ASSETS**

	<i>VND</i>	
	<i>30 June 2014</i>	<i>31 December 2013</i>
Advance to employees	11,025,694,188	9,039,095,960
Short-term deposits	1,331,847,800	1,271,723,558
<b>TOTAL</b>	<b><u>12,357,541,988</u></b>	<b><u>10,310,819,518</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

## 11. TANGIBLE FIXED ASSETS

	<i>Machinery and equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>VND</i>
				<i>Total</i>
<b>Cost:</b>				
As at 31 December 2013	711,376,164	2,606,821,907,748	673,868,719	2,608,207,152,631
Newly purchased	-	380,596,392,832	135,345,600	380,731,738,432
Transferred from finance lease	-	629,167,636	-	629,167,636
Disposed	-	(89,806,833,542)	-	(89,806,833,542)
As at 30 June 2014	<u>711,376,164</u>	<u>2,898,240,634,674</u>	<u>809,214,319</u>	<u>2,899,761,225,157</u>
<i>In which:</i>				
<i>Fully depreciated</i>	529,876,164	5,174,730,272	395,869,309	6,100,475,745
<b>Accumulated depreciation:</b>				
As at 31 December 2013	661,773,745	1,109,095,905,044	563,436,003	1,110,321,114,792
Depreciation for the period	23,749,998	173,734,132,879	30,680,312	173,788,563,189
Transferred from finance lease	-	180,758,847	-	180,758,847
Disposed	-	(75,146,764,407)	-	(75,146,764,407)
As at 30 June 2014	<u>685,523,743</u>	<u>1,207,864,032,363</u>	<u>594,116,315</u>	<u>1,209,143,672,421</u>
<b>Net carrying amount:</b>				
As at 31 December 2013	<u>49,602,419</u>	<u>1,497,726,002,704</u>	<u>110,432,716</u>	<u>1,497,886,037,839</u>
As at 30 June 2014	<u>25,852,421</u>	<u>1,690,376,602,311</u>	<u>215,098,004</u>	<u>1,690,617,552,736</u>
<i>In which:</i>				
<i>Pledged as loan security (Note 22)</i>	-	994,277,395,674	-	994,277,395,674
<i>Pledged as guarantee of payment</i>	-	76,690,285,590	-	76,690,285,590



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

## 12. FINANCE LEASES

	VND
	<i>Means of transportation</i>
<b>Cost:</b>	
As at 31 December 2013	115,295,165,613
New leases	108,094,545,406
Re-purchases	<u>(629,167,636)</u>
As at 30 June 2014	<u>222,760,543,383</u>
<b>Accumulated depreciation:</b>	
As at 31 December 2013	25,117,145,777
Depreciation for the period	13,683,338,316
Re-purchases	<u>(180,758,847)</u>
As at 30 June 2014	<u>38,619,725,246</u>
<b>Net carrying amount:</b>	
As at 31 December 2013	<u>90,178,019,836</u>
As at 30 June 2014	<u>184,140,818,137</u>

## 13. INTANGIBLE ASSETS

	VND
	<i>Computer software</i>
<b>Cost:</b>	
As at 31 December 2013 and 30 June 2014	<u>1,168,289,000</u>
<i>In which:</i>	
<i>Fully amortised</i>	125,657,000
<b>Accumulated amortisation:</b>	
As at 31 December 2013	769,022,757
Amortisation for the period	<u>173,771,994</u>
As at 30 June 2014	<u>942,794,751</u>
<b>Net carrying amount:</b>	
As at 31 December 2013	<u>399,266,243</u>
As at 30 June 2014	<u>225,494,249</u>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

**14. CONSTRUCTION IN PROGRESS**

	VND	
	30 June 2014	31 December 2013
Means of transportation	16,923,599,120	-
Others	101,231,300	101,231,300
<b>TOTAL</b>	<b><u>17,024,830,420</u></b>	<b><u>101,231,300</u></b>

**15. INVESTMENT PROPERTIES**

These represent land use rights of land lots located in District 1 and District 8, Ho Chi Minh City and are held for long-term capital appreciation. These land use rights are not amortised as they have the indefinite useful lives.

The fair values of the investment properties were not formally assessed and determined as at 30 June 2014. However, given the current market conditions and location of these parcels of land, it is management's assessment that these properties' market values are higher than their carrying value as at the balance sheet date.

**16. LONG-TERM PREPAID EXPENSES**

	VND	
	30 June 2014	31 December 2013
Office renovation costs	2,322,005,545	4,087,627,649
Tools and supplies in use	1,827,129,211	1,470,151,818
Road maintenance fees	136,835,800	2,632,441,400
Others	378,563,345	340,943,441
<b>TOTAL</b>	<b><u>4,664,533,901</u></b>	<b><u>8,531,164,308</u></b>

**17. ADVANCES FROM CUSTOMERS**

	VND	
	30 June 2014	31 December 2013
Advances for purchase of land	5,000,000,000	5,000,000,000
Advances for purchase of disposed vehicles	1,680,000,000	1,000,000,000
Others	428,918,956	478,796,518
<b>TOTAL</b>	<b><u>7,108,918,956</u></b>	<b><u>6,478,796,518</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

## 18. STATUTORY OBLIGATIONS

	VND	
	30 June 2014	31 December 2013
Corporate income tax	21,068,872,893	20,193,257,004
Value-added tax	15,043,457,928	16,849,087,661
Personal income tax	1,901,364,040	6,905,167,305
<b>TOTAL</b>	<b><u>38,013,694,861</u></b>	<b><u>43,947,511,970</u></b>

## 19. ACCRUED EXPENSES

	VND	
	30 June 2014	31 December 2013
13 <sup>th</sup> month salary	10,380,000,000	-
Others	7,761,363,852	2,054,821,963
<b>TOTAL</b>	<b><u>18,141,363,852</u></b>	<b><u>2,054,821,963</u></b>

## 20. OTHER PAYABLES

	VND	
	30 June 2014	31 December 2013
Loan interests	3,161,391,142	2,786,390,312
Allowance due to the Boards of Directors and Supervision	2,483,290,477	6,886,003,360
Car insurance	2,335,774,860	2,535,487,578
Dividends payable	351,090,000	87,028,046,000
Others	3,446,119,419	3,230,598,197
<b>TOTAL</b>	<b><u>11,777,665,898</u></b>	<b><u>102,466,525,447</u></b>

## 21. OTHER LONG-TERM LIABILITIES

	VND	
	30 June 2014	31 December 2013
Deposit from taxi drivers	102,101,429,450	96,816,778,000
Deposit from customers	27,103,907,810	24,015,554,176
Space lease deposit	1,500,000,000	1,500,000,000
Provision for severance allowance	3,000,000,000	2,000,000,000
<b>TOTAL</b>	<b><u>133,705,337,260</u></b>	<b><u>124,332,332,176</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

22. LONG-TERM LOANS AND DEBTS

	VND	
	30 June 2014	31 December 2013
Long-term loans from banks (i)	565,625,646,403	444,485,033,066
Finance lease obligations (ii)	113,715,285,901	50,511,576,872
<b>TOTAL</b>	<b>679,340,932,304</b>	<b>494,996,609,938</b>
<i>In which:</i>		
<i>Current portion</i>	267,788,500,446	224,730,302,577
+ Long-term loans from banks	224,952,549,623	202,535,983,161
+ Finance leases	42,835,950,823	22,194,319,416
<i>Non-current portion</i>	411,552,431,858	270,266,307,361



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

## 22. LONG-TERM LOAN AND DEBTS (continued)

### (i) Long-term loans from banks

The Group obtained long-term loans from banks to purchase vehicles for taxi services. Details of these long-term loans are as follows:

Banks name	30 June 2014			Repayment term	Interest rate (p.a.)	Description collateral
	Current portion (up to 30/06/2015)	Non-current portion	Total			
	VND	VND	VND			
Vietnam Joint Stock Commercial Bank For Industry and Trade	106,284,600,000	155,659,100,000	261,943,700,000	From 3 July 2014 to 20 January 2018	Prime rate plus minimum margin of from 2.5% to 5%	1,153 cars
Shinhan Bank Vietnam	57,831,051,024	104,361,534,860	162,192,585,884	From 22 July 2014 to 18 November 2017	Basic interest rate plus margin of from 0.05% to 2.95%	548 cars
HSBC Bank (Vietnam) Ltd.	47,559,053,599	68,609,861,920	116,168,915,519	From 17 July 2014 to 26 June 2018	Three-month VND basic interest rate plus margin of from 1.5% to 2%	427 cars
Military Commercial Joint Stock Bank	13,277,845,000	12,042,600,000	25,320,445,000	From 9 December 2014 to 25 November 2017	Deposit interest rate plus margin of 3.5%	230 cars
<b>TOTAL</b>	<b>224,952,549,623</b>	<b>340,673,096,780</b>	<b>565,625,646,403</b>			

The payment schedule of the current portion of the long-term loans from banks is presented as follows:

Description					VND
	3rd quarter 2014	4th quarter 2014	1st quarter 2015	2nd quarter 2015	Total
Payment	63,850,777,750	59,114,864,455	51,821,954,455	50,164,952,963	224,952,549,623



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

**22. LONG-TERM LOAN AND DEBTS (continued)**

(ii) *Finance lease obligations*

The Group currently has leased vehicles under finance lease agreements with Vietcombank Leasing Company Limited. Future obligations due under finance lease agreements as at 30 June 2014 were as follows:

	30 June 2014			31 December 2013			VND
	<i>Total minimum lease payments</i>	<i>Finance charges</i>	<i>Lease liabilities</i>	<i>Total minimum lease payments</i>	<i>Finance charges</i>	<i>Lease liabilities</i>	
Less than 1 year	52,378,021,435	9,542,070,612	42,835,950,823	26,588,876,550	4,394,557,134	22,194,319,416	
From 1 - 5 years	79,497,574,797	8,618,239,719	70,879,335,078	31,101,518,028	2,784,260,572	28,317,257,456	
<b>TOTAL</b>	<b>131,875,596,232</b>	<b>18,160,310,331</b>	<b>113,715,285,901</b>	<b>57,690,394,578</b>	<b>7,178,817,706</b>	<b>60,511,576,872</b>	



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

## 23. OWNERS' EQUITY

### 23.1 Increase and decrease in owners' equity

						VND
	Share capital	Share premium	Investment and development fund	Financial reserve fund	Undistributed earnings	Total
<b>For the six-month period ended 30 June 2013</b>						
As at 31 December 2012	299,999,970,000	330,521,213,110	64,155,564,610	33,877,782,305	207,665,940,186	936,220,470,211
Net profit for the period	-	-	-	-	97,763,200,714	97,763,200,714
Profit appropriation	-	-	9,458,540,688	4,729,270,344	(14,187,811,032)	-
Transfer to bonus and welfare fund	-	-	-	-	(12,769,029,929)	(12,769,029,929)
Allowance to the Boards of Directors and Supervision	-	-	-	-	(1,418,781,103)	(1,418,781,103)
Dividend declared	-	-	-	-	(14,999,998,500)	(14,999,998,500)
Other decreases	-	-	-	-	(718,040,451)	(718,040,451)
As at 30 June 2013	<u>299,999,970,000</u>	<u>330,521,213,110</u>	<u>73,614,105,298</u>	<u>38,607,052,649</u>	<u>261,335,479,885</u>	<u>1,004,077,820,942</u>
<b>For the six-month period ended 30 June 2014</b>						
As at 31 December 2013	434,998,180,000	330,523,003,110	85,888,844,655	44,744,422,327	257,292,537,730	1,153,446,987,822
Issuance of share dividend to existing shareholders (*)	130,496,980,000	(130,496,980,000)	-	-	-	-
Net profit for the period	-	-	-	-	154,806,501,671	154,806,501,671
Profit appropriation	-	-	15,099,441,892	7,549,720,946	(22,649,162,838)	-
Transfer to bonus and welfare fund	-	-	-	-	(20,977,237,204)	(20,977,237,204)
Allowance to the Boards of Directors and Supervision	-	-	-	-	(2,264,916,284)	(2,264,916,284)
Other decreases	-	-	-	-	(756,000,000)	(756,000,000)
As at 30 June 2014	<u>565,495,160,000</u>	<u>200,026,023,110</u>	<u>100,988,286,547</u>	<u>52,294,143,273</u>	<u>365,451,723,075</u>	<u>1,284,255,336,005</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

**23. OWNERS' EQUITY (continued)**

**23.1 Increase and decrease in owners' equity (continued)**

(\*) On 9 June 2014, the Company completed the issuance of an additional 13,049,698 ordinary shares to its existing shareholders under form of share dividend from share premium in accordance with the Shareholders' Resolution dated 26 April 2014 and the Board of Director's Resolution No. 03/QD-HDQT.14 dated 5 May 2014. Accordingly, the Company's registered share capital increased from VND 434,998,180,000 to VND 565,495,160,000 which was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the amended Business Registration Certificate dated 18 June 2014.

**23.2 Capital transactions with owners and distribution of dividends**

	VND	
	For the six-month period ended 30 June 2014	For the six-month period ended 30 June 2013
<b>Contributed share capital</b>		
As at 31 December 2013	434,998,180,000	299,999,970,000
Increase during the period	130,496,980,000	-
As at 30 June 2014	<u>565,495,160,000</u>	<u>299,999,970,000</u>
<b>Dividends</b>		
Dividends declared	-	14,999,998,500
Dividends paid	86,676,956,000	29,533,910,250

**23.3 Shares**

	30 June 2014		31 December 2013	
	Number of shares	Amount VND	Number of shares	Amount VND
<b>Authorised shares</b>	<b>56,549,516</b>	<b>565,495,160,000</b>	<b>43,499,818</b>	<b>434,998,180,000</b>
<b>Issued shares</b>				
<i>Issued and paid-up shares</i>				
Ordinary shares	56,549,516	565,495,160,000	43,499,818	434,998,180,000
<b>Shares in circulation</b>				
Ordinary shares	56,549,516	565,495,160,000	43,499,818	434,998,180,000



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

## 23. OWNERS' EQUITY (continued)

## 23.4 Earnings per share

	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	154,050,501,671	97,163,200,714
Weighted average number of ordinary shares during the period (*)	<u>56,549,516</u>	<u>53,549,516</u>
Earnings per share (VND)		
<i>Basic and diluted</i>	2,724	1,814

(\*) The weighted average number of shares in circulation for the six-month period ended 30 June 2013 was retrospectively adjusted to reflect the additional issuance of 10,499,821 shares on 17 July 2013 and 13,049,698 shares on 9 June 2014 from share premium.

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

## 24. REVENUES

## 24.1 Revenue from rendering of services

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Net revenue	<u>1,803,966,195,660</u>	<u>1,535,062,339,647</u>
Of which:		
<i>Revenue from rendering of passenger taxi services</i>	1,796,978,784,257	1,526,257,870,778
<i>Others</i>	6,987,411,403	8,804,468,869

## 24.2 Finance income

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Interest income	3,043,475,765	212,071,918
Others	<u>1,630,740</u>	<u>513,858</u>
<b>TOTAL</b>	<u><b>3,045,106,505</b></u>	<u><b>212,585,776</b></u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

## 25. COST OF SERVICES RENDERED

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Cost of passenger taxi services rendered	1,491,939,282,676	1,264,825,228,230
Others	6,875,509,941	8,968,841,977
<b>TOTAL</b>	<b><u>1,498,814,792,617</u></b>	<b><u>1,273,794,070,207</u></b>

## 26. OTHER INCOME AND EXPENSES

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
<b>Other income</b>	<b>60,514,063,916</b>	<b>12,854,906,087</b>
Proceeds from disposal of fixed assets	57,690,909,126	11,901,363,633
Others	2,823,154,790	953,542,454
<b>Other expenses</b>	<b>(14,672,802,811)</b>	<b>(3,241,400,614)</b>
Net book value of disposed fixed assets	(14,660,069,135)	(3,237,756,179)
Others	(12,733,676)	(3,644,435)
<b>NET</b>	<b><u>45,841,261,105</u></b>	<b><u>9,613,505,473</u></b>

## 27. OPERATING COSTS

	VND	
	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
Spare parts and fuel	549,937,143,271	467,141,569,998
Labour costs	785,550,666,997	665,871,593,193
Depreciation and amortisation (Notes 11, 12 and 13)	187,645,673,499	155,582,250,831
Expenses for external services	76,496,615,340	70,450,031,136
Others	22,973,120,310	15,951,871,926
<b>TOTAL</b>	<b><u>1,622,603,219,417</u></b>	<b><u>1,374,997,317,084</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

## 28. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate of 22% of taxable profits.

The tax returns filed by the Company and its subsidiary are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

The current tax payable is based on taxable profit for the period. The taxable profit of the Group for the period differs from profit as reported in the interim consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

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

	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
		VND
<b>Profit before tax and estimated taxable profit</b>	<b>199,012,905,668</b>	<b>130,821,718,557</b>
<b>Estimated current CIT expense</b>	<b>43,782,839,247</b>	<b>32,705,429,639</b>
CIT payable at beginning of period	20,193,257,004	18,279,195,363
CIT paid during the period	(42,907,223,358)	(34,547,171,118)
<b>CIT payable at end of period</b>	<b>21,068,872,893</b>	<b>16,437,453,884</b>

## 29. TRANSACTION WITH RELATED PARTIES

*Remuneration to members of the Board of Directors and Management*

	<i>For the six-month period ended 30 June 2014</i>	<i>For the six-month period ended 30 June 2013</i>
		VND
Salary and bonus	1,431,270,000	960,149,334

## 30. SEGMENT INFORMATION

The current principal activities of the Group are to provide passenger taxi services and contractual passenger transport; to render inbound and outbound services; to act as air ticket agent and to lease out space. In addition, these activities are mainly provided within Vietnam. As a result, the Group's management is of the view that there is only one segment for business of providing passenger taxi services and geography in Vietnam and therefore separate segmental information is not required.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

### 31. OPERATING LEASE COMMITMENT

The Group leases its office premises and workshops under operating lease arrangements. The minimum lease commitments as at 30 June 2014 under the operating lease agreements were as follows:

	VND	
	30 June 2014	31 December 2013
Less than 1 year	4,789,906,632	4,391,782,996
From 1 - 5 years	8,645,005,983	7,124,500,135
<b>TOTAL</b>	<b>13,434,912,615</b>	<b>11,516,283,131</b>

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and debts, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables and cash that arise directly from its operations. The Group does not hold or issue derivative financial instruments.

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

Management reviews and agrees policies for managing each of these risks which are summarised below.

#### **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 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 debts, and deposits.

The sensitivity analyses in the following sections relate to the position as at 30 June 2014 and 31 December 2013.

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 relevant interim consolidated 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 30 June 2014 and 31 December 2013.

#### *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 Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term loans and debts with floating interest rates.

The Group manages its interest rate risk by looking at the competitive structure of the market to obtain rates which are favorable for its purposes within its risk management limits.

#### *Interest rate sensitivity*

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings.

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

32. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)

**Market risk** (continued)

*Interest rate sensitivity* (continued)

	<i>Increase/ decrease in basis points</i>	<i>VND Effect on profit before tax</i>
<b>For the six-month period ended 30 June 2014</b>		
VND	-180	9,260,133,815
VND	180	(9,260,133,815)
<b>For the six-month period ended 30 June 2013</b>		
VND	-250	10,893,369,677
VND	250	(10,893,369,677)

*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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

A sensitivity analysis is not performed for foreign currency risk as the Group's exposure to foreign currency risk is minimal at reporting date.

*Commodity price risk*

The Group is exposed to commodity price risk in relation to purchase of gasoline. The Group manages its gasoline price risk by keeping close watch on relevant information and situation of gasoline market in order to properly manage timing of purchases. The Group does not employ any derivative financial instruments to hedge its gasoline price risk.

**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 Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and foreign exchange transactions.

*Bank deposits*

The Group's bank balances are mainly maintained with well-known banks in Vietnam. Credit risk from balances with banks is managed by the Group's accounting department in accordance with the Group's policy. The Group's maximum exposure to credit risk for the components of the interim consolidated balance sheet at each reporting dates are the carrying amounts as illustrated in Note 4. The Group evaluates the concentration of credit risk in respect to bank deposits as low.

*Trade receivables*

Customer credit risk is managed by the Group based on its established policy, procedures and control relating to customer credit risk management.

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



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### *Credit risk* (continued)

##### *Trade receivables* (continued)

Except for the financial assets for which provision have been made as disclosed in Note 5, management evaluates all financial assets are neither past due nor impaired as they related to recognised and creditworthy counterparties, except for the following receivable which are past due but not impaired as at 30 June 2014.

	Total	Neither past due nor impaired	Past due but not impaired			VND
			< 6 months	6 months to less than 1 year	More than 1 year	
30 June 2014	<u>56,639,850,011</u>	<u>53,848,860,045</u>	<u>2,339,583,854</u>	<u>117,397,175</u>	<u>334,008,937</u>	
31 December 2013	<u>52,608,718,987</u>	<u>49,884,999,718</u>	<u>2,499,840,690</u>	<u>129,699,436</u>	<u>94,179,143</u>	

#### *Liquidity risk*

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

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

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Less than 1 year	From 1 to 5 years	Total	VND
<b>30 June 2014</b>				
Loans and debts	267,788,500,446	411,552,431,858	679,340,932,304	
Trade payables	36,924,921,427	-	36,924,921,427	
Other payables and accrued expenses	<u>15,438,626,144</u>	<u>130,705,337,260</u>	<u>146,143,963,404</u>	
	<b><u>320,152,048,017</u></b>	<b><u>542,257,769,118</u></b>	<b><u>862,409,817,135</u></b>	
<b>31 December 2013</b>				
Loans and debts	224,730,302,577	270,266,307,361	494,996,609,938	
Trade payables	21,856,034,006	-	21,856,034,006	
Other payables and accrued expenses	<u>9,319,414,259</u>	<u>122,332,332,176</u>	<u>131,651,746,435</u>	
	<b><u>255,905,750,842</u></b>	<b><u>392,598,639,537</u></b>	<b><u>648,504,390,379</u></b>	

#### *Collateral*

The Group has pledged means of transportation in order to fulfil the collateral requirements for the long-term loans obtained from banks (Note 22) and be used as a guarantee of payment to Vietnam Airline Corporation – Southern Branch (Note 11).

The Group did not hold collateral as at 30 June 2014 and 31 December 2013.







NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 30 June 2014 and for the six-month period then ended

**33. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

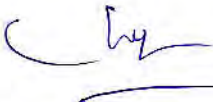
The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

- ▶ Cash, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments; and
- ▶ Except for items noted in preceding paragraph, the fair values of the other assets and liabilities had not yet been formally assessed and determined as at 30 June 2014 and 31 December 2013. However, management assessed that the fair values of these liabilities are approximately the same as their carrying value as at balance sheet date.

**34. EVENT 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 interim consolidated financial statements.

  
\_\_\_\_\_  
Vo Thi Minh Thu  
Preparer

  
\_\_\_\_\_  
Dang Hoang Sang  
Chief Accountant

  
\_\_\_\_\_  
Dang Thi Lan Phuong  
General Director



18 August 2014