

SAM Holdings Corporation

(formerly Sacom Investment and Development Corporation)

Separate financial statements

31 December 2017



SAM Holdings Corporation
(formerly Sacom Investment and Development Corporation)

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SAM Holdings Corporation

(formerly Sacom Investment and Development Corporation)

GENERAL INFORMATION

THE COMPANY

SAM Holdings Corporation (formerly Sacom Investment and Development Corporation) ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 3600253537 issued by the Department of Planning and Investment of Dong Nai Province on 30 March 1998, as amended.

The Company was listed on the Ho Chi Minh City Stock Exchange ("HOSE") in accordance with Decision No. 02/GPPH issued by the Chairman of State Securities Commission of Vietnam on 2 June 2000.

The registered business activities of the Company are to manufacture and selling cables, telecommunication materials, civil materials; bobbin wooden; import and export materials for cables telecommunication and civil materials support for their main activity; manufacture and selling copper wire products, plastic pipe products office; office leasing; to invest and develop the residential areas and technical infrastructures; real estate trading; to operate golf courses; accommodation services, tourism services.

The Company's registered head office is located at No. 152/11B Dien Bien Phu Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Mr Nguyen Hai Duong	Chairman	
Mr Hoang Tri Cuong	Deputy Chairman	
Mr Dao Ngoc Thanh	Deputy Chairman	appointed on 9 March 2017
Mr Do Van Trac	Deputy Chairman	resigned on 8 March 2017
Mr Nguyen Hong Hai	Member	
Mr Tran Hai Quang	Member	appointed on 9 March 2017
Mr Do Thanh Binh	Member	resigned on 8 March 2017

BOARD OF SUPERVISION

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

Mr Nguyen Van Nguyen	Head	
Mr Nguyen Minh Ha	Member	resigned on 12 February 2018
Ms Vu Thi Thanh Thuy	Member	appointed on 24 April 2017
Ms Dinh Thi Hoai Bac	Member	resigned on 24 April 2017

MANAGEMENT

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

Mr Tran Anh Vuong	General Director	
Mr Phuong Thanh Long	Deputy General Director	appointed on 12 March 2018
Mr Ha Hoang The Quang	Deputy General Director	resigned on 12 March 2018
Mr Pham Ngoc Tung	Deputy General Director	resigned on 12 March 2018
		appointed on 20 February 2017
Mr Do Thanh Binh	Deputy General Director	resigned on 1 April 2017

LEGAL REPRESENTATIVE

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

AUDITORS

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

SAM Holdings Corporation
(formerly Sacom Investment and Development Corporation)

REPORT OF MANAGEMENT

Management of SAM Holdings Corporation (formerly Sacom Investment and Development Corporation) ("the Company") is pleased to present this report and the separate financial statements of the Company for the year ended 31 December 2017.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate 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 separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate 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 separate financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2017 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

The Company has subsidiaries as disclosed in the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2017 ("the consolidated financial statements") dated 26 March 2018.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

For and on behalf of Management:



Tran Anh Vuong
General Director

Ho Chi Minh City, Vietnam

26 March 2018



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

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Reference: 61354714/19491853

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of SAM Holdings Corporation

We have audited the accompanying separate financial statements of SAM Holdings Corporation (formerly Sacom Investment and Development Corporation) ("the Company") as prepared on 26 March 2018 and as set out on pages 5 to 42, which comprise the separate balance sheet as at 31 December 2017, and the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate 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 separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate 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 Company'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 separate financial statements.

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

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2017, and of the results of its separate operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 of the separate financial statements. The Company prepared the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2017 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated 26 March 2018 expressed an unmodified opinion. Users of the separate financial statements should read them together with the said consolidated financial statements of the Group in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

Our opinion is not modified in respect of this matter.

Other matter

The separate financial statements of the Company for the year ended 31 December 2016 were audited by another audit firm who expressed an unmodified opinion on those separate financial statements on 7 March 2017.

Ernst & Young Vietnam Limited



Le Quang Minh
Deputy General Director
Audit Practicing Registration Certificate
No. 0426-2018-004-1

Vuong Van Minh
Audit Manager
Audit Practicing Registration Certificate
No. 3446-2015-004-1

Ho Chi Minh City, Vietnam

26 March 2018

SAM Holdings Corporation
(formerly Sacom Investment and Development Corporation)

B01-DN

SEPARATE BALANCE SHEET
as at 31 December 2017

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		934,276,375,339	316,255,092,413
110	I. Cash	4	3,434,471,549	50,026,840,528
111	1. Cash		3,434,471,549	50,026,840,528
120	II. Short-term investments	5	541,431,482,512	210,525,817,397
121	1. Held-for-trading securities		581,735,572,135	217,650,160,250
122	2. Provision for diminution in value of held-for-trading securities		(40,304,089,623)	(7,124,342,853)
130	III. Current accounts receivable		382,898,665,785	50,648,273,556
131	1. Short-term trade receivables	6	401,488,090	141,159,300
132	2. Short-term advances to suppliers		318,423,350	503,478,251
135	3. Short-term loan receivables	7	11,700,000,000	11,800,000,000
136	4. Other short-term receivables	8	370,478,754,345	38,203,636,005
150	IV. Other current assets		6,511,755,493	5,054,160,932
151	1. Short-term prepaid expenses		956,530,116	300,000,000
152	2. Value-added tax deductible		4,012,518,919	3,211,454,474
153	3. Tax and other receivables from the State	16	1,542,706,458	1,542,706,458

SAM Holdings Corporation
(formerly Sacom Investment and Development Corporation)

B01-DN

SEPARATE BALANCE SHEET (continued)
as at 31 December 2017

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		2,464,067,973,209	2,864,929,260,083
210	<i>I. Long-term receivables</i>		126,800,000,000	202,077,377,323
211	1. Long-term trade receivables	6	6,800,000,000	82,077,377,323
216	2. Other long-term receivables	8	120,000,000,000	120,000,000,000
220	<i>II. Fixed assets</i>		13,703,883,415	14,689,725,663
221	1. Tangible fixed assets	9	10,859,313,415	12,310,375,663
222	Cost		32,301,084,174	32,301,084,174
223	Accumulated depreciation		(21,441,770,759)	(19,990,708,511)
227	2. Intangible fixed assets	10	2,844,570,000	2,379,350,000
228	Cost		3,077,180,000	2,379,350,000
229	Accumulated amortisation		(232,610,000)	-
230	<i>III. Investment properties</i>	11	11,211,821,819	11,211,821,819
231	1. Cost		11,211,821,819	11,211,821,819
232	2. Accumulated depreciation		-	-
240	<i>IV. Long-term assets in progress</i>		5,523,039,839	6,235,072,663
242	1. Construction in progress	12	5,523,039,839	6,235,072,663
250	<i>V. Long-term investments</i>	13	2,304,059,373,287	2,629,313,262,366
251	1. Investments in subsidiaries		1,814,800,000,000	1,914,800,000,000
252	2. Investments in associates		617,442,966,000	778,106,010,060
253	3. Investments in other entities		16,500,000,000	16,500,000,000
254	4. Provision for diminution in value of long-term investments		(144,683,592,713)	(80,092,747,694)
260	<i>VI. Other long-term assets</i>		2,769,854,849	1,402,000,249
261	1. Long-term prepaid expenses		2,381,874,560	1,402,000,249
262	2. Deferred tax assets	25.3	387,980,289	-
270	TOTAL ASSETS		3,398,344,348,548	3,181,184,352,496

SEPARATE BALANCE SHEET (continued)
as at 31 December 2017

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		926,976,659,029	739,052,190,812
310	I. Current liabilities		214,095,855,179	738,212,438,462
311	1. Short-term trade payables	14	10,897,072,879	1,437,437,040
312	2. Short-term advances from customers	15	-	20,606,495,400
313	3. Statutory obligations	16	306,901,417	273,128,080
314	4. Payables to employees		597,530,563	2,413,883,952
315	5. Short-term accrued expenses	17	12,102,109,289	1,163,636,364
319	6. Other short-term payables	18	19,324,879,831	24,184,380,133
320	7. Short-term loans	19	170,452,651,078	688,116,157,371
322	8. Bonus and welfare fund		414,710,122	17,320,122
330	II. Non-current liabilities		712,880,803,850	839,752,350
337	1. Other long-term liabilities		780,803,850	839,752,350
338	2. Long-term loans	19	712,100,000,000	-
400	D. OWNERS' EQUITY		2,471,367,689,519	2,442,132,161,684
410	I. Capital	20	2,471,367,689,519	2,442,132,161,684
411	1. Share capital		2,417,857,030,000	1,802,353,360,000
411a	- Shares with voting rights		2,417,857,030,000	1,802,353,360,000
412	2. Share premium		-	406,943,449,943
418	3. Investment and development fund		142,970,000	150,829,313,956
421	4. Undistributed earnings		53,367,689,519	82,006,037,785
421a	- Undistributed earnings by the end of prior years		23,385,721,684	49,878,087,853
421b	- Undistributed earnings of current year		29,981,967,835	32,127,949,932
440	TOTAL LIABILITIES AND OWNERS' EQUITY		3,398,344,348,548	3,181,184,352,496



Vo Y Thao
Preparer



Nguyen Thanh Xuan
Chief Accountant



Tran Anh Vuong
General Director



26 March 2018

SEPARATE INCOME STATEMENT
for the year ended 31 December 2017

VND

Code	ITEMS	Notes	Current year	Previous year
10	1. Net revenue from sale of goods and rendering of services	21.1	16,660,481,520	3,576,390,250
11	2. Cost of goods sold and services rendered	22	(11,230,722,129)	(441,635,848)
20	3. Gross profit from sale of goods and rendering of services		5,429,759,391	3,134,754,402
21	4. Finance income	21.2	255,110,872,527	112,739,766,562
22	5. Finance expenses	23	(202,572,748,514)	(67,323,410,375)
23	<i>In which: Interest expenses</i>		(87,643,819,372)	(38,507,234,157)
25	6. Selling expenses	24	-	(188,848,441)
26	7. General and administrative expenses	24	(28,972,506,969)	(16,274,519,380)
30	8. Operating profit		28,995,376,435	32,087,742,768
31	9. Other income		598,611,111	527,048,204
32	10. Other expenses		-	(486,841,040)
40	11. Other profit		598,611,111	40,207,164
50	12. Accounting profit before tax		29,593,987,546	32,127,949,932
51	13. Current corporate income tax expense	25.2	-	-
52	14. Deferred tax income	25.3	387,980,289	-
60	15. Net profit after tax		29,981,967,835	32,127,949,932



Vo Y Thao
Preparer



Nguyen Thanh Xuan
Chief Accountant



Tran Anh Vuong
General Director

26 March 2018

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2017

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		29,593,987,546	32,127,949,932
	<i>Adjustments for:</i>			
02	Depreciation and amortisation of fixed assets	9, 10	1,683,672,248	1,432,623,587
03	Provisions		102,586,396,854	24,976,882,641
05	Profits from investing activities		(131,693,103,095)	(112,463,137,191)
06	Interest expenses	23	87,643,819,372	38,507,234,157
08	Operating profit (loss) before changes in working capital		89,814,772,925	(15,418,446,874)
09	Decrease in receivables		20,964,316,161	154,478,080,095
11	Decrease in payables		(12,761,932,113)	(15,387,699,859)
12	Increase in prepaid expenses		(1,636,404,427)	(781,218,431)
13	Increase in held-for-trading securities		(364,085,411,885)	(199,342,282,103)
14	Interest paid		(85,683,118,594)	(16,220,636,101)
17	Other cash outflows for operating activities		(349,050,000)	(296,650,000)
20	Net cash flows used in operating activities		(353,736,827,933)	(92,968,853,273)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		-	(1,500,840,663)
23	Loans to other entities		(300,000,000)	(6,500,000,000)
24	Collections from borrowers		400,000,000	2,700,000,000
25	Payments for investments in other entities		(204,148,000,000)	(621,780,868,000)
26	Proceeds from sale of investments in other entities		240,364,652,500	174,056,283,340
27	Interest and dividends received		76,399,496,902	39,393,849,885
30	Net cash flows from (used in) investing activities		112,716,149,402	(413,631,575,438)

SEPARATE CASH FLOW STATEMENT (continued)
for the year ended 31 December 2017

VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		1,251,338,399,297	762,500,000,000
34	Repayment of borrowings		(1,056,901,905,590)	(207,267,500,000)
36	Dividends paid to owners	20.2	(8,184,155)	-
40	Net cash flows from financing activities		194,428,309,552	555,232,500,000
50	Net (decrease) increase in cash for the year		(46,592,368,979)	48,632,071,289
60	Cash at the beginning of the year		50,026,840,528	1,394,769,239
70	Cash at the end of the year	4	3,434,471,549	50,026,840,528



Vo Y Thao
Preparer



Nguyen Thanh Xuan
Chief Accountant



Tran Anh Vuong
General Director

26 March 2018

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2017

1. CORPORATE INFORMATION

SAM Holdings Corporation (formerly Sacom Investment and Development Corporation) ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 3600253537 issued by the Department of Planning and Investment of Dong Nai Province on 30 March 1998, as amended.

The Company was listed on the Ho Chi Minh City Stock Exchange ("HOSE") in accordance with Decision No. 02/GPPH issued by the Chairman of State Securities Commission of Vietnam on 2 June 2000.

The registered business activities of the Company are to manufacture and selling cables, telecommunication materials, civil materials; bobbin wooden; import and export materials for cables telecommunication and civil materials support for their main activity; manufacture and selling copper wire products, plastic pipe products office; office leasing; to invest and develop the residential areas and technical infrastructures; real estate trading; to operate golf courses; accommodation services, tourism services.

The Company's registered head office is located at No. 152/11B Dien Bien Phu Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 31 December 2017 is 23 (31 December 2016: 17).

2. BASIS OF PREPARATION

2.1 Purpose of preparing the separate financial statements

The company has subsidiaries as disclosed in Note 13.1. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular 155/2015/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2017 dated 26 March 2018.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

2.2 Accounting standards and system

The separate financial statements of the Company expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and other 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).



NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

2. BASIS OF PREPARATION (continued)

2.2 Accounting standards and system (continued)

Accordingly, the accompanying separate 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 separate financial position and separate results of operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 Applied accounting documentation system

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

2.4 Fiscal year

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

2.5 Accounting currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprises cash on hand and cash in banks.

3.2 Receivables

Receivables are presented in the separate financial statements at the carrying amounts due from customers and other debtors, after the 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 expenses in the separate income statement.

3.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed 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 separate 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 separate income statement.

Land used rights

The costs of land used rights comprise all directly attributable costs of bringing the land to the condition available for use. Land used rights comprise costs of acquisitions, compensation expenses, land clearance, registration.

Land used rights with indefinite useful life are not amortised.

3.5 Depreciation and amortisation

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

Building and structures	5 – 10 years
Machinery and equipment	6 years
Means of transportation	8 years
Office equipment	3 years
Brand name	3 years

3.6 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

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 Company.

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 separate income statement in the year 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Borrowing costs

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

3.8 Prepaid expenses

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

3.9 Investments

Investments in subsidiaries

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

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

Investments in associates

Investments in associates over which the Company has significant influence are carried at cost.

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

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

3.10 Payables and accruals

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Appropriation of net profits

Net profit after tax (excluding negative goodwill arising from a bargain purchase) 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 of in-depth investment.

▶ *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 on the separate balance sheet.

3.12 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.

Rendering of services

Revenue is recognised when the services have been performed and completed.

Interest

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

Dividends

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

Rental income

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Taxation

Current income tax

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

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

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to 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.

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.

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 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 year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

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

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

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 as at and for the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Related parties

Parties are considered to be related parties of the Company if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

4. CASH

	<i>Ending balance</i>	<i>Beginning balance</i>	VND
Cash on hand	21,500,000	-	
Cash in banks	<u>3,412,971,549</u>	<u>50,026,840,528</u>	
TOTAL	<u>3,434,471,549</u>	<u>50,026,840,528</u>	

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5. SHORT-TERM INVESTMENTS

	Code	Ending balance			Beginning balance			Provision	VND
		Cost	Fair value	Provision	Cost	Fair value	Provision		
Held-for-trading securities:									
- Vietnam Pharmaceutical Corporation - Joint Stock Company	DVN	283,624,800,000	248,862,000,000	(34,762,800,000)	-	-	-	-	
- Truong Thanh Furniture Corporation	TTF	147,060,363,199	153,760,700,100	-	-	-	-	-	
- Dat Xanh Real Estate Service and Construction Corporation (*)	DXG	141,552,410,600	159,908,995,050	-	-	-	-	-	
- Alphanam Joint Stock Company	ALP	7,243,518,147	1,772,604,084	(5,470,914,063)	7,243,518,147	1,772,604,084	(5,470,914,063)		
- Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	VAF	1,762,360,000	2,291,060,000	-	1,762,360,000	2,898,190,900	-	-	
- Petro Vietnam Drilling and Well Services Corporation	PVD	492,076,560	421,701,000	(70,375,560)	4,555,545,000	3,461,040,000	(1,094,505,000)		
- Son Ha International Corporation	SHI	43,629	43,629	-	1,963,932,000	1,879,376,250	(84,555,750)		
- Viglacera Corporation	VGC	-	-	-	200,100,000,000	221,850,000,000	-	-	
- Bien Hoa Sugar Joint Stock Company	BHS	-	-	-	1,894,368,040	1,420,000,000	(474,368,040)		
- Asia Commercial Joint Stock Bank	ACB	-	-	-	130,437,063	132,000,000	-	-	
TOTAL		581,735,572,135	567,017,103,863	(40,304,089,623)	217,650,160,250	233,413,211,234	(7,124,342,853)		

(*) Shares of Dat Xanh Real Estate Service and Construction Corporation were pledged as collateral for short term loans of the Company (Note 19.2).

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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5. SHORT-TERM INVESTMENTS (continued)

Reason for changes in investments:	Code	Opening balance	Purchased in year	Sold in year	Ending balance
Vietnam Pharmaceutical Corporation - Joint Stock Company	DVN	-	11,800,000	-	11,800,000
- Quantity		-	283,624,800,000	-	283,624,800,000
- Value					
Truong Thanh Furniture Corporation	TTF	-	20,806,590	-	20,806,590
- Quantity		-	147,060,363,199	-	147,060,363,199
- Value					
Dat Xanh Real Estate Service and Construction Joint Stock Company	DXG	-	9,920,371	(2,500,000)	7,420,371
- Quantity		-	186,619,910,600	(45,067,500,000)	141,552,410,600
- Value					
Petro Vietnam Drilling and Well Services Corporation	PVD	167,200	-	(149,140)	18,060
- Quantity		4,555,545,000	-	(4,063,468,440)	492,076,560
- Value					
Son Ha International Corporation	SHI	225,075	-	(225,070)	5
- Quantity		1,963,932,000	-	(1,963,888,371)	43,629
- Value					
Viglacera Corporation	VGC	14,500,000	-	(14,500,000)	-
- Quantity		200,100,000,000	-	(200,100,000,000)	-
- Value					
Bien Hoa Sugar Joint Stock Company	BHS	100,000	-	(100,000)	-
- Quantity		1,894,368,040	-	(1,894,368,040)	-
- Value					
Asia Commercial Joint Stock Bank	ACB	7,500	-	(7,500)	-
- Quantity		130,437,063	-	(130,437,063)	-
- Value					

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

6. TRADE RECEIVABLES

	VND	
	Ending balance	Beginning balance
Short-term		
Trade receivables from related parties (Note 26)	267,101,640	-
Trade receivables from customers	134,386,450	141,159,300
TOTAL	401,488,090	141,159,300

Long-term

This represents the receivables with its subsidiary - Sacom Land Corporation, relating to the Giai Viet Project in which the Company sold and recognised revenue in 2015.

7. SHORT-TERM LOAN RECEIVABLES

		VND	
		Ending balance	Beginning balance
Loans granted to related parties (Note 26)	(i)	11,400,000,000	11,800,000,000
Loan granted to another party	(ii)	300,000,000	-
TOTAL		11,700,000,000	11,800,000,000

(i) Details of short-term loan receivables from related parties are as follows:

Borrower	Ending balance	Interest rate	Description of collateral
	VND	(%/p.a.)	
An Viet Infrastructure Investment and Development Joint Stock Company			
Contract No. 335/2016/SAM-ANVIET/HDVV	6,500,000,000	9.5%	Unsecured
Sacom Chip Sang Company Limited			
Contract No. 84/2013/SAM-SCS/HDVV	4,000,000,000	9.2%	Unsecured
Contract No. 05/2013/SAM-SCS/HDVV	900,000,000	9.2%	Unsecured
	<u>4,900,000,000</u>		
TOTAL	11,400,000,000		

(ii) Details of short-term loan receivables from other party are as follows:

Borrower	Ending balance	Interest rate	Description of collateral
	VND	(%/p.a.)	
Business Startup Support Centre			
Contract No. 03/2017/SAM-SYS/HDVV	300,000,000	9.5%	Unsecured

Those are short-term loan receivables with principal repayment term from three (3) to twelve (12) months.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

8. OTHER RECEIVABLES

	VND	
	Ending balance	Beginning balance
Short-term		
Deposit for acquisition of shares	185,000,000,000	-
Receivables from capital transfer	106,935,347,500	-
Capital contributed in Investment Cooperation Contract ("ICC") (i)	50,000,000,000	-
Dividend	24,975,000,000	35,268,994,764
Advances to employees	2,468,066,059	1,645,580,992
Others	1,100,340,786	1,289,060,249
	<u>370,478,754,345</u>	<u>38,203,636,005</u>
Long-term		
Capital contributed in ICC (ii)	120,000,000,000	120,000,000,000
TOTAL	<u>490,478,754,345</u>	<u>158,203,636,005</u>
<i>In which:</i>		
Due from related parties (Note 26)	78,362,261,099	85,437,121,538
Due from other parties	412,116,493,246	72,766,514,467

(i) Detail of capital contributed in short term ICC is as followed:

- Capital contributed in ICC amounting to VND 50,000,000,000 with individual in 2017 related to the entrusted investment for purchasing trading securities. The Company is committed a minimum profit rate of 11.5% per annum on the capital contributed amount in ICC.

(ii) Details of capital contributed in long term ICC are as followed:

- Capital contributed in ICC amounting to VND 70,000,000,000 with Dong Nai Plastic Joint Stock Company ("Dong Nai Plastic") in 2016 related to the purchase of shares of Thua Thien Hue Construction and Water Supply State One Member Co., Ltd ("Huewaco") in order to Dong Nai Plastic became the strategic shareholder of Huewaco. The Company will receive dividend or share losses corresponding to its investment on yearly basis.
- Capital contributed amounting to VND 50,000,000,000 equivalent to 20% capital contribution in ICC with Sacom Land Corporation, its subsidiary, in 2013 to develop project Nhon Trach Residence on an area of 55.2 hectares in Nhon Trach, Dong Nai Province. Accordingly, the Company earns profit after tax from the project in accordance with the said capital contribution percentage.

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9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total	VND
Cost:						
Beginning and ending balances	27,192,968,976	1,084,290,000	2,654,682,718	1,369,142,480	32,301,084,174	
<i>In which:</i>						
Fully depreciated	11,906,769,352	-	2,654,682,718	1,369,142,480	15,930,594,550	
Accumulated depreciation:						
Beginning balance	(15,800,130,652)	(166,752,661)	(2,654,682,718)	(1,369,142,480)	(19,990,708,511)	
Depreciation for the year	(1,265,870,928)	(185,191,320)	-	-	(1,451,062,248)	
Ending balance	(17,066,001,580)	(351,943,981)	(2,654,682,718)	(1,369,142,480)	(21,441,770,759)	
Net carrying amount:						
Beginning balance	11,392,838,324	917,537,339	-	-	12,310,375,663	
Ending balance	10,126,967,396	732,346,019	-	-	10,859,313,415	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

10. INTANGIBLE FIXED ASSETS

	<i>Land use right</i>	<i>Others</i>	<i>VND</i> <i>Total</i>
Cost:			
Beginning balance	2,379,350,000	-	2,379,350,000
Transfer from construction in progress	-	697,830,000	697,830,000
Ending balance	<u>2,379,350,000</u>	<u>697,830,000</u>	<u>3,077,180,000</u>
Accumulated amortisation:			
Beginning balance	-	-	-
Amortisation for the year	-	(232,610,000)	(232,610,000)
Ending balance	-	<u>(232,610,000)</u>	<u>(232,610,000)</u>
Net carrying amount:			
Beginning balance	<u>2,379,350,000</u>	-	<u>2,379,350,000</u>
Ending balance	<u>2,379,350,000</u>	<u>465,220,000</u>	<u>2,844,570,000</u>

11. INVESTMENT PROPERTIES

Investment property held for capital appreciation of the Company is the 65,492 m² land lot located at Nhon Trach, Dong Nai Province.

The fair value of the investment property had not yet been formally assessed and determined as at 31 December 2017. However, based on the market value of these properties, management believes that these properties' fair values are higher than their carrying values at the balance sheet date.

12. CONSTRUCTION IN PROGRESS

	<i>Ending balance</i>	<i>Beginning balance</i>
Binh Thang Residence project (*)	5,523,039,839	3,876,000,000
DakNong Agriculture project	-	561,242,663
Other projects	-	1,797,830,000
TOTAL	<u>5,523,039,839</u>	<u>6,235,072,663</u>

(*) Binh Thang Residence project is on process of transferring to Sacom Land Corporation – its subsidiary – according to Investment Cooperation Contract dated 31 October 2016 with value of VND 70,000,000,000.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
 as at and for the year ended 31 December 2017

13. LONG-TERM INVESTMENTS

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Investments in subsidiaries (<i>Note 13.1</i>)	1,814,800,000,000	1,914,800,000,000
Investments in associates (<i>Note 13.2</i>)	617,442,966,000	778,106,010,060
Investments in other entities (<i>Note 13.3</i>)	16,500,000,000	16,500,000,000
Provision for diminution in value of long-term investments	<u>(144,683,592,713)</u>	<u>(80,092,747,694)</u>
TOTAL	<u>2,304,059,373,287</u>	<u>2,629,313,262,366</u>

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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13. LONG-TERM INVESTMENTS (continued)

13.1 Investments in subsidiaries

Details of investments in subsidiaries are as follows:

Name	Ending balance		Beginning balance		
	Business	% of interest (%)	Cost of investment VND	% of interest (%)	Cost of investment VND
Sacom - Tuyen Lam Joint Stock Company	Resort and golf yard business	99.75%	897,300,000,000	99.75%	897,300,000,000
Sacom Wires and Cables Joint Stock Company	Manufacture wires and cables	99.90%	499,500,000,000	99.90%	499,500,000,000
Sacom Land Corporation (i)	Trade real estate	74.58%	300,000,000,000	99.44%	400,000,000,000
Sacom Chip Sang Company Limited	Office leasing service	73.75%	118,000,000,000	73.75%	118,000,000,000
TOTAL			1,814,800,000,000		1,914,800,000,000
Provision for long-term investments			(125,648,413,547)		(73,958,744,168)
NET			1,689,151,586,453		1,840,841,255,832

(i) Shares of Sacom Land Corporation was pledged as collateral for long term loans of the Company (Note 19.3).

On 30 September 2017, the Company transferred 10,000,000 shares of Sacom Land Corporation with a total consideration of VND 115,000,000,000 in accordance with Decision No. 27/2017/NQ-HDQT dated 22 August 2017.

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13. LONG-TERM INVESTMENTS (continued)

13.2 Investments in associates

Details of investments in associates are as follows:

Name	Business	Ending balance		Beginning balance	
		% of interest (%)	Cost of investment VND	% of interest (%)	Cost of investment VND
Phu Tho Tourist Service Joint Stock Company (i)	Tourist service	29.06%	425,384,970,000	28.98%	423,975,972,000
An Viet Infrastructure Investment and Development Joint Stock Company	Infrastructure development	45.00%	155,500,000,000	45.00%	155,500,000,000
Sam Cuong Material Electric and Telecom Corporation	Manufacture electrical materials and telecommunication	33.74%	17,409,996,000	32.54%	16,497,196,000
High Technology Agriculture Sam Joint Stock Company	Cultivation, husbandry, processing and trading agricultural products	48.00%	16,000,000,000	-	-
Capella Vietnam Joint Stock Company	Events and advertising	31.48%	3,148,000,000	-	-
Hiep Phu Land Corporation (ii)	Trade real estate	-	-	40.00%	176,185,000,000
Sam Phu Plastics Corporation	Produce plastic	-	-	25.10%	5,947,842,060
TOTAL			617,442,966,000		778,106,010,060
Provision for long-term investments			(5,535,179,166)		(6,134,003,526)
NET			611,907,786,834		771,972,006,534

(i) Shares of Phu Tho Tourist Service Joint Stock Company were pledged as collateral for long term loans of the Company (Note 19.3).

(ii) On 31 March 2017, the Company transferred all of its 40% ownership interest in Hiep Phu Land Corporation with a total consideration of VND 227,300,000,000. As a result, a gain of VND 51,115,000,000 arising from this transfer was recognised as finance income in the separate income statement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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13. LONG-TERM INVESTMENTS (continued)

13.3 Investments in other entities

	VND	
	Ending balance	Beginning balance
Alphanam Investment and Infrastructure Construction Corporation (formerly Momota Joint Stock Company)	13,500,000,000	13,500,000,000
Post and Telecommunications Tourism Joint Stock Company	<u>3,000,000,000</u>	<u>3,000,000,000</u>
TOTAL	16,500,000,000	16,500,000,000
Provision for long-term investments	<u>(13,500,000,000)</u>	-
NET	<u>3,000,000,000</u>	<u>16,500,000,000</u>

14. SHORT-TERM TRADE PAYABLES

	VND	
	Ending balance	Beginning balance
Payables to other parties	655,735,279	1,365,937,040
- Viet Mai Advertising Joint Stock Company	260,187,400	-
- Bcons Construction Investment Joint Stock Company	250,000,000	543,600,000
- Hoang Anh Construction and Development House Joint Stock Company	-	400,000,000
- Other suppliers	145,547,879	422,337,040
Payables to related parties (Note 26)	<u>10,241,337,600</u>	<u>71,500,000</u>
TOTAL	<u>10,897,072,879</u>	<u>1,437,437,040</u>

15. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	Ending balance	Beginning balance
Advances from a related party (Note 26)	-	20,500,000,000
Advances from customers	-	<u>106,495,400</u>
TOTAL	-	<u>20,606,495,400</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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16. STATUTORY OBLIGATIONS

	VND			
	Beginning balance	Increase in year	Paid in year	Ending balance
Receivable				
Corporate income tax	1,542,706,458	-	-	1,542,706,458
Payable				
Personal income tax	273,128,080	3,290,422,424	(3,256,649,087)	306,901,417

17. SHORT-TERM ACCRUED EXPENSES

	VND	
	Ending balance	Beginning balance
Interest expenses	11,855,359,293	-
Service fee	161,000,000	1,100,000,000
Others	85,749,996	63,636,364
TOTAL	12,102,109,289	1,163,636,364

18. OTHER SHORT-TERM PAYABLES

	VND	
	Ending balance	Beginning balance
Interest expenses	12,391,939,541	22,286,598,056
Deposit for transfer of investment	5,000,000,000	-
Dividends	1,373,514,169	1,381,698,324
Others	559,426,121	516,083,753
TOTAL	19,324,879,831	24,184,380,133
<i>In which:</i>		
<i>Due to related parties (Note 26)</i>	12,627,666,940	22,286,598,056
<i>Due to other parties</i>	6,697,212,891	1,897,782,077

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19. LOANS

	Beginning balance	Drawdown	Repayment	Ending balance
				VND
Short-term loans	688,116,157,371	534,138,399,297	1,051,801,905,590	170,452,651,078
Loans from related parties (Note 19.1 and 26)	681,116,157,371	235,700,000,000	804,816,157,371	112,000,000,000
- Sacom Land Corporation	170,000,000,000	-	89,000,000,000	81,000,000,000
- Sacom Wires and Cables Joint Stock Company	18,532,500,000	235,700,000,000	223,232,500,000	31,000,000,000
- Sacom - Tuyen Lam Joint Stock Company	430,700,000,000	-	430,700,000,000	-
- Hiep Phu Land Corporation	61,883,657,371	-	61,883,657,371	-
Loan from individual	7,000,000,000	-	7,000,000,000	-
Loans from Saigon Securities Inc (Note 19.2)	-	298,438,399,297	239,985,748,219	58,452,651,078
Long-term loans	-	717,200,000,000	5,100,000,000	712,100,000,000
Loan from bank (Note 19.3)	-	467,921,000,000	-	467,921,000,000
Loan from a related party (Note 19.4 and 26)	-	249,279,000,000	5,100,000,000	244,179,000,000
- Sacom - Tuyen Lam Joint Stock Company	-	249,279,000,000	5,100,000,000	244,179,000,000
TOTAL	688,116,157,371	1,251,338,399,297	1,056,901,905,590	882,552,651,078

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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19. LOANS (continued)

19.1 Short-term loans from related parties

Details of the short-term loans from related parties to finance the working capital are as follows:

Lender	Ending balance (VND)	Principal repayment term	Interest (%/p.a.)	Description of collateral
Sacom Land Corporation				
Contract No. 02/2016/SACOM/HDVW	45,000,000,000	30 June 2018	9.5%	Unsecured
Contract No. 01/2016/SACOM/HDVW	18,000,000,000	30 June 2018	9.5%	Unsecured
Contract No. 03/2016/SACOM/HDVW	18,000,000,000	30 June 2018	9.5%	Unsecured
	<u>81,000,000,000</u>			
Sacom Wires and Cables Joint Stock Company				
Contract No. 18/2017/SDC-SACOM/HDVW	<u>31,000,000,000</u>	10 April 2018	9.5%	Unsecured
TOTAL	<u>112,000,000,000</u>			

19.2 Short-term loan from Saigon Securities Inc

Details of the short-term loan from Saigon Securities Inc to finance for purchasing trading securities are as follows:

Lender	Ending balance (VND)	Principal repayment term	Interest (%/p.a.)	Description of collateral
Saigon Securities Inc				
Contract No. 21440/2017/HDMR-SSIHO	<u>58,452,651,078</u>	6 March 2018	11%	7,420,371 shares of DXG owned by the Company

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19. LOANS (continued)

19.3 Long-term loan from bank

Details of the long-term loan from bank to finance capital for Sacom Resort Tuyen Lam - Da Lat project are as follows:

<i>Lender</i>	<i>Ending balance (VND)</i>	<i>Principal repayment term</i>	<i>Interest (%/p.a.)</i>	<i>Description of collateral</i>
Viet A Commercial Joint Stock Bank - Ho Chi Minh City Branch				
Contract No. 020-042/17/VAB/HDTDTDH	<u>467,921,000,000</u>	From 12 July 2019 to 12 April 2024	11.5%	20,000,000 shares of Sacom Land Corporation; and 28,261,620 shares of Phu Tho Tourist Service Joint Stock Company

19.4 Long-term loan from a related party

Details of the long-term loan from a related party to finance the working capital are as follows:

<i>Lender</i>	<i>Ending balance (VND)</i>	<i>Principal repayment term</i>	<i>Interest (%/p.a.)</i>	<i>Description of collateral</i>
Sacom - Tuyen Lam Joint Stock Company				
Contract No. 01/2017/SDC-SACOM/HDW	<u>244,179,000,000</u>	14 April 2024	11.5%	Unsecured

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

20. OWNERS' EQUITY

20.1 Movements in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed earnings	Total
Previous year					VND
Beginning balance	1,802,353,360,000	406,943,449,943	150,829,313,956	50,228,087,853	2,410,354,211,752
Net profit for the year	-	-	-	32,127,949,932	32,127,949,932
Transfer to bonus and welfare fund	-	-	-	(350,000,000)	(350,000,000)
Ending balance	1,802,353,360,000	406,943,449,943	150,829,313,956	82,006,037,785	2,442,132,161,684
Current year					
Beginning balance	1,802,353,360,000	406,943,449,943	150,829,313,956	82,006,037,785	2,442,132,161,684
Increase share capital (*)	615,503,670,000	(406,943,449,943)	(150,686,343,956)	(57,873,876,101)	-
Net profit for the year	-	-	-	29,981,967,835	29,981,967,835
Transfer to bonus and welfare fund	-	-	-	(746,440,000)	(746,440,000)
Ending balance	2,417,857,030,000	-	142,970,000	53,367,689,519	2,471,367,689,519

(*) On 12 October 2017, the Company issued 61,550,367 ordinary shares to increase share capital by owners' equity which comprised of share premium, investment and development fund and undistributed earnings amounting to VND 615,503,670,000 according to Resolution of Shareholders No. 08/2017/NQ-DHDCD dated 24 April 2017 and Decision No. 20/2017/NQ-HDQT dated 26 July 2017. This increase was approved by the Department of Planning and Investment of Ho Chi Minh City through the issuance of the 23rd amended Business Registration Certificates dated 28 November 2017.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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20. OWNERS' EQUITY (continued)

20.2 Capital transactions with owners

	Current year	VND Previous year
Contributed share capital		
Beginning balance	1,802,353,360,000	1,802,353,360,000
Increase in year	615,503,670,000	-
Ending balance	<u>2,417,857,030,000</u>	<u>1,802,353,360,000</u>
Dividends paid during the year		
Dividends of previous years paid to shareholders	8,184,155	-

20.3 Ordinary shares

	Ending balance Number of shares	Beginning balance Number of shares
Shares authorised to be issued	241,785,703	180,235,336
Shares issued and fully paid Ordinary shares	241,785,703	180,235,336
Treasury shares Ordinary shares	-	-
Shares in circulation Ordinary shares	241,785,703	180,235,336

21. REVENUES

21.1 Revenues from sale of goods and rendering of services

	Current year	VND Previous year
Revenue from sale of goods	11,597,644,800	-
Revenue from office leasing service	5,062,836,720	3,576,390,250
TOTAL	<u>16,660,481,520</u>	<u>3,576,390,250</u>
<i>In which:</i>		
Sales to other parties	15,565,422,177	3,147,241,998
Sales to related parties (Note 26)	1,095,059,343	429,148,252

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

21. REVENUES (continued)

21.2 Finance income

	VND	
	Current year	Previous year
Gains from trading securities	122,285,732,437	276,629,371
Gains from disposal of investments	66,115,000,000	37,986,183,550
Dividend income	62,702,956,361	70,126,878,264
Interest income	4,007,183,729	4,350,075,377
TOTAL	<u>255,110,872,527</u>	<u>112,739,766,562</u>

22. COSTS OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of goods sold	10,233,216,000	-
Cost of office leasing service	997,506,129	441,635,848
TOTAL	<u>11,230,722,129</u>	<u>441,635,848</u>

23. FINANCE EXPENSES

	VND	
	Current year	Previous year
Provision for investments	102,586,396,854	24,976,882,641
Interest expenses	87,643,819,372	38,507,234,157
Commission fees	7,222,222,222	-
Losses due to trading securities	2,537,972,451	3,745,368,268
Losses due to disposal of investment	1,132,036,995	-
Others	1,450,300,620	93,925,309
TOTAL	<u>202,572,748,514</u>	<u>67,323,410,375</u>

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
Selling expenses	-	188,848,441
- Commission fees	-	188,848,441
General and administrative expenses	28,972,506,969	16,274,519,380
- Labour cost	10,735,369,401	8,126,128,633
- Expense for external services	4,679,181,228	2,000,843,643
- Depreciation and amortisation	1,065,047,122	990,987,739
- Others	12,492,909,218	5,156,559,365
TOTAL	<u>28,972,506,969</u>	<u>16,463,367,821</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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25. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 20% of taxable profits.

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

25.1 CIT expenses

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	-	-
Deferred tax income	(387,980,289)	-
TOTAL	(387,980,289)	-

The reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	29,593,987,546	32,127,949,932
At CIT rate of 20% applicable to the Company	5,918,797,509	6,425,589,986
<i>Adjustments:</i>		
Non-deductible expenses	13,322,281,519	301,901,541
Dividend income	(12,540,591,272)	(14,025,375,653)
Tax losses carried forward	(7,088,468,045)	-
Taxable loss not yet recognised deferred tax during the year	-	7,297,884,126
CIT expenses	(387,980,289)	-

25.2 Current CIT expense

The current CIT payable is based on taxable profit for the year. The taxable profit of the Company for the year differs from the profit as reported in the separate income statement because it excludes items of income or expenses 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 at the balance sheet date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

25. CORPORATE INCOME TAX (continued)

25.3 *Deferred tax*

The followings are the major deferred tax assets recognised by the Company, and the movements thereon, during the current and previous year:

	<i>Separate balance sheet</i>		<i>Separate income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
	VND			
Tax losses carried forward	387,980,289	-	387,980,289	-
Deferred income tax assets	387,980,289	-		
Deferred tax income			387,980,289	-

25.4 *Tax losses carried forward*

The Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within 5 years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company had accumulated tax losses of VND 1,939,901,444 (31 December 2016: VND 35,442,340,223) available for offset against future taxable profits. Details are as follows:

<i>Originating year</i>	<i>Can be utilised up to</i>	<i>Tax loss amount</i>	VND	
			<i>Utilised up to 31 December 2017</i>	<i>Unutilised up to 31 December 2017</i>
2013	2018	171,640,510	(171,640,510)	-
2014	2019	704,427,244	(704,427,244)	-
2016	2021	34,566,272,469	(32,626,371,025)	1,939,901,444
TOTAL		35,442,340,223	(33,502,438,779)	1,939,901,444

Estimated tax losses as per the Company's CIT declaration have not been audited by the local tax authorities as at the date of the separate financial statements.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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26. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties in current year and prior year were as follows:

Related party	Relationship	Nature of transaction	Current year	Previous year
				VND
Sacom - Tuyen Lam Joint Stock Company	Subsidiary	Borrowing	249,279,000,000	533,500,000,000
		Loan interest	31,709,636,103	23,568,808,888
		Service expense	762,637,076	783,683,113
		Office rental revenue	264,594,911	33,173,636
		Capital contribution	-	36,900,000,000
Sacom Wires and Cables Joint Stock Company	Subsidiary	Borrowing	235,700,000,000	18,000,000,000
		Dividend	24,975,000,000	53,946,000,000
		Purchasing merchandise	10,233,216,000	-
		Loan interest	2,791,594,231	1,895,163,334
		Office rental revenue	830,464,432	395,974,616
Truong Thanh Furniture Corporation	Related party	Advance	50,000,000,000	-
		Advance received	50,000,000,000	-
		Income from penalty of liquidation contract	198,611,111	-
Sacom Land Corporation	Subsidiary	Dividend	22,496,501,061	13,790,494,764
		Loan interest	12,580,150,472	10,380,625,000
		Service expense	1,108,483,587	546,203,716
		Payment on behalf	228,039,839	-
		Borrowing	-	140,000,000,000
High Technology Agriculture Sam Joint Stock Company	Associate	Capital contribution	16,000,000,000	-
		Capital contribution	3,148,000,000	-
An Viet Infrastructure Investment and Development Joint Stock Company	Associate	Lending interest	631,222,222	-
Sacom Chip Sang Company Limited	Subsidiary	Lending interest	473,518,888	617,107,602
		Rental expense	49,269,000	20,490,000
Members of the Management	Related party	Advance	3,273,861,059	-

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

26. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Relationship	Nature of transaction	Ending balance	Beginning balance	VND
Short-term trade receivables					
Sacom Wires and Cables Joint Stock Company	Subsidiary	Office rental service	229,701,240	-	-
Sacom - Tuyen Lam Joint Stock Company	Subsidiary	Office rental service	37,400,400	-	-
TOTAL			267,101,640		-
Long-term trade receivables					
Sacom Land Corporation	Subsidiary	Revenue from Giai Viet Project	6,800,000,000	82,077,377,323	
Short-term advances to suppliers					
Sacom - Tuyen Lam Joint Stock Company	Subsidiary	Service	-	244,758,251	
Short-term loan receivables					
An Viet Infrastructure Investment and Development Joint Stock Company	Associate	Lending	6,500,000,000	6,500,000,000	
Sacom Chip Sang Company Limited	Subsidiary	Lending	4,900,000,000	5,300,000,000	
TOTAL			11,400,000,000	11,800,000,000	

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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26. 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>Nature of transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>	<i>VND</i>
Other short-term receivables					
Sacom Wires and Cables Joint Stock Company	Subsidiary	Dividend Payment on behalf	24,975,000,000	21,478,500,000	2,581,800
Members of the Management	Related party	Advance	2,427,811,059	-	-
An Viet Infrastructure Investment and Development Joint Stock Company	Associate	Lending interest	631,222,222	-	-
High Technology Agriculture Sam Joint Stock Company	Associate	Payment on behalf	210,748,930	-	-
Sacom Chip Sang Company Limited	Subsidiary	Lending interest	117,478,888	162,192,324	-
Sacom Land Corporation	Subsidiary	Dividend Payment on behalf	-	13,790,494,764	3,352,650
TOTAL			28,362,261,099	35,437,121,538	
Other long-term receivables					
Sacom Land Corporation	Subsidiary	Capital contributed in ICC	50,000,000,000	50,000,000,000	
Short-term trade payables					
Sacom Wires and Cables Joint Stock Company	Subsidiary	Purchase of merchandise	10,241,337,600	-	-
Sacom Land Corporation	Subsidiary	Maintenance service	-	71,500,000	
TOTAL			10,241,337,600	71,500,000	

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
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26. 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>Nature of transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>	<i>VND</i>
Short-term advance from customers					
Sacom Land Corporation	Subsidiary	Advance to acquire Binh Thang Residence Project	-	20,500,000,000	
Other short-term payables					
Sacom - Tuyen Lam Joint Stock Company	Subsidiary	Loan interest	6,687,872,760	10,010,809,722	
Sacom Land Corporation	Subsidiary	Loan interest Payment on behalf	5,236,875,000 235,727,399	10,380,625,000	
Sacom Wires and Cables Joint Stock Company	Subsidiary	Loan interest	467,191,781	1,895,163,334	
TOTAL			12,627,666,940	22,286,598,056	
Short-term loans					
Sacom Land Corporation	Subsidiary	Loans	81,000,000,000	170,000,000,000	
Sacom Wires and Cables Joint Stock Company	Subsidiary	Loans	31,000,000,000	18,532,500,000	
Sacom - Tuyen Lam Joint Stock Company	Subsidiary	Loans	-	430,700,000,000	
Hiep Phu Land Corporation	Associate	Loans	-	61,883,657,371	
TOTAL			112,000,000,000	681,116,157,371	
Long-term loans					
Sacom - Tuyen Lam Joint Stock Company	Subsidiary	Loans	244,179,000,000	-	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

26. TRANSACTIONS WITH RELATED PARTIES (continued)

Other transactions with related parties

Remuneration to members of the Board of Directors, Board of Supervision and Management:

	VND	
	Current year	Previous year
Salaries and bonus	<u>7,124,736,495</u>	<u>6,563,911,484</u>

27. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures on the separate balance sheet as at 31 December 2016 and separate cash flow statement for the year ended 31 December 2016 have been reclassified to reflect the presentation of the current year's separate financial statements. Details are as follows:

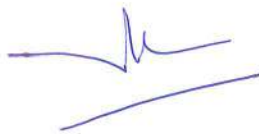
	VND		
	As previously stated	Reclassifications	Reclassified amounts
SEPARATE BALANCE SHEET			
Other short-term receivables	108,203,636,005	(70,000,000,000)	38,203,636,005
Short-term prepaid expenses	-	300,000,000	300,000,000
Other long-term receivables	-	120,000,000,000	120,000,000,000
Investments in other entities	66,500,000,000	(50,000,000,000)	16,500,000,000
Long-term prepaid expenses	1,702,000,249	(300,000,000)	1,402,000,249
Other short-term payables	31,184,380,133	(7,000,000,000)	24,184,380,133
Short-term loans	681,116,157,371	7,000,000,000	688,116,157,371

	VND		
	As previously stated	Reclassifications	Reclassified amounts
SEPARATE CASHFLOW STATEMENT			
Profits from investing activities	(112,739,766,562)	276,629,371	(112,463,137,191)
Operating loss before changes in working capital	(15,695,076,245)	276,629,371	(15,418,446,874)
Decrease in receivables	193,496,408,252	(39,018,328,157)	154,478,080,095
Decrease in payables	(24,596,437,577)	9,208,737,718	(15,387,699,859)
Interest paid	(3,270,971,046)	(12,949,665,055)	(16,220,636,101)
Net cash flows used in operating activities	(50,486,227,150)	(42,482,626,123)	(92,968,853,273)
Loans to other entities	(3,800,000,000)	(2,700,000,000)	(6,500,000,000)
Collections from borrowers	-	2,700,000,000	2,700,000,000
Payments for investments in other entities	(616,375,972,000)	(5,404,896,000)	(621,780,868,000)
Proceeds from sale of investments in other entities	171,998,949,371	2,057,333,969	174,056,283,340
Interest and dividends received	563,661,731	38,830,188,154	39,393,849,885
Net cash flows used in investing activities	(449,114,201,561)	35,482,626,123	(413,631,575,438)
Drawdown of borrowings	755,500,000,000	7,000,000,000	762,500,000,000
Net cash flows from financing activities	548,232,500,000	7,000,000,000	555,232,500,000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2017

28. 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 separate financial statements of the Company.



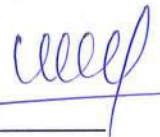
Vo Y Thao
Preparer



Nguyen Thanh Xuan
Chief Accountant



Tran Anh Vuong
General Director



26 March 2018

