Mobile World Investment Corporation

Separate financial statements

31 December 2016

Mobile World Investment Corporation

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Mobile World Investment Corporation

GENERAL INFORMATION

THE COMPANY

Mobile World Investment Corporation ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103012275 issued by the Department of Planning and Investment of Binh Duong Province on 16 January 2009, as amended.

The Company's head office is located at 222 Yersin Street, Phu Cuong Ward, Thu Dau Mot Town, Binh Duong Province, Vietnam and operating office is located at 6th Floor, Etown 2, 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

The Company has two subsidiaries namely The Gioi Di Dong Joint Stock Company and Bach Hoa Xanh Trading Joint Stock Company. As at 31 December 2016, the Company held 99.95% equity share in The Gioi Di Dong Joint Stock Company and 99.95% equity share in Bach Hoa Xanh Trading Joint Stock Company.

The current principal activity of the Company is to manage investments in subsidiaries.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange with symbol "MWG" in accordance with the Decision No. 253/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 7 July 2014.

BOARD OF DIRECTORS

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

Mr Nguyen Duc Tai	Chairman
Mr Tran Le Quan	Member
Mr Dieu Chinh Hai Trieu	Member
Mr Chris Freund	Member
Mr Thomas Lanyi	Member
Mr Trần Kinh Doanh	Member
Mr Robert Willet	Member
Mr Dang Minh Luom	Member

BOARD OF SUPERVISION

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

Mr Tran Huy Thanh Tung	Head
Mr Hoang Xuan Thang	Member
Ms Nguyen Khanh Van	Member

MANAGEMENT

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

Mr Nguyen Duc Tai	General Director
Mr Dieu Chinh Hai Trieu	Technology Director
Mr Vu Dang Linh	Finance Director

LEGAL REPRESENTATIVE

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

AUDITORS

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

Mobile World Investment Corporation

REPORT OF MANAGEMENT

Management of Mobile World Investment Corporation ("the Company") is pleased to present its report and the separate financial statements of the Company for the year ended 31 December 2016.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of the Company 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 its 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 2016 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 preparation and presentation of separate financial statements.

The Company is the parent company of the subsidiaries listed in Note 7 and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2016 prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the relevant statutory requirements relevant to preparation and presentation of consolidated financial statements have been issued separately. Users of these separate financial statements should read them together with the said consolidated financial statements of the Group for the year ended 31 December 2016 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

For and on behalf of management:

M.S.D.N: 0306731... C.T.C.P
CÔNG TY CỔ PHẦN ĐẦU TƯ THẾ GIỚI DI ĐỘNG
TP. THỦ DẦU MỘT - T. BÌNH DƯƠNG

Nguyen Duc Tai
General Director

16 February 2017

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

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Reference: 61110221/18529788

INDEPENDENT AUDITORS' REPORT

To: The Shareholders and the Board of Directors of Mobile World Investment Corporation

We have audited the accompanying separate financial statements of Mobile World Investment Corporation ("the Company"), as prepared on 16 February 2017 set out on pages 5 to 15 which comprise the separate balance sheet as at 31 December 2016, and the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to 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 Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditor considers 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.

Building a better working world

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 2016, 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 preparation and presentation of the separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 to the separate financial statements. The Company prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2016 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated 16 February 2017 has expressed an unqualified opinion.

Our opinion on the separate financial statements is not modified in respect of this matter.

Ernst & Young Vietnam Limited

CÔNG TY TRÁCH NHIỆM HỮU HẠN ERNST & YOUNG VIỆT NAM

Le Vu Truong	Nguyen Thanh Sang
Deputy General Director	Auditor
Audit Practicing Registration Certificate	Audit Practicing Registration Certificate
No. 1588-2013-004-1	No. 1541-2013-004-1

Ho Chi Minh City, Vietnam

16 February 2017

SEPARATE BALANCE SHEET
as at 31 December 2016

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	**A. CURRENT ASSETS**		**405,020,494,575**	**253,431,102,062**
110	***I. Cash***	***4***	***9,450,821,466***	***84,295,376***
111	1. Cash		9,450,821,466	84,295,376
130	***II. Current account receivable***		***395,569,673,109***	***253,088,302,545***
132	1. Short-term advances to suppliers		-	71,850,000
135	2. Short-term loan receivables	5	391,881,041,538	247,012,499,355
136	3. Other short-term receivables	6	3,688,631,571	6,003,953,190
150	***III. Other current asset***		***-***	***258,504,141***
152	1. Value-added tax deductible		-	258,504,141
200	**B. NON-CURRENT ASSET**		**1,157,304,771,000**	**1,157,304,771,000**
250	***I. Long-term investment***		***1,157,304,771,000***	***1,157,304,771,000***
251	1. Investments in subsidiaries	7	1,157,304,771,000	1,157,304,771,000
270	**TOTAL ASSETS**		**1,562,325,265,575**	**1,410,735,873,062**
Code	*RESOURCES*	*Notes*	*Ending balance*	*Beginning balance*
300	**C. LIABILITIES**		**6,108,452,914**	**5,602,045,504**
310	***I. Current liabilities***		***6,108,452,914***	***5,602,045,504***
311	1. Short-term trade payables		264,600,000	-
313	2. Statutory obligations		495,416,259	535,445,504
315	3. Short-term accrued expenses		72,000,000	116,600,000
319	4. Other short-term payables		326,436,655	-
322	5. Bonus and welfare fund		4,950,000,000	4,950,000,000
400	**D. OWNERS' EQUITY**		**1,556,216,812,661**	**1,405,133,827,558**
410	***I. Capital***	***8.1***	***1,556,216,812,661***	***1,405,133,827,558***
411	1. Share capital		1,539,509,270,000	1,468,889,740,000
411a	*- Shares with voting rights*		*1,539,509,270,000*	*1,468,889,740,000*
412	2. Share premium		628,592,500	628,592,500
415	3. Treasury shares		(79,164,500)	(2,454,294,500)
421	4. Undistributed earnings (accumulated losses)		16,158,114,661	(61,930,210,442)
421a	*- Accumulated losses of prior year*		*-*	*(346,508,960,372)*
421b	*- Undistributed earnings of current year*		*16,158,114,661*	*284,578,749,930*
440	**TOTAL OWNERS' EQUITY**		**1,562,325,265,575**	**1,410,735,873,062**

Ly Tran Kim Ngan	Vu Dang Linh	Nguyen Duc Tai
Preparer	Finance Director	General Directo

CÔNG TY CỔ PHẦN ĐẦU TƯ THẾ GIỚI DI ĐỘNG

16 February 2017

SEPARATE INCOME STATEMENT
for the year ended 31 December 2016

VND

Code	ITEMS	Note	Current year	Previous year
21	1. Finance income	9	377,141,311,591	287,853,739,044
26	2. General and administrative expenses		(3,629,723,238)	(1,830,419,598)
30	3. Operating profit		373,511,588,353	286,023,319,446
32	4. Other expenses		(873,225)	-
40	5. Other loss		(873,225)	-
50	6. Accounting profit before tax		373,510,715,128	286,023,319,446
51	7. Current corporate income tax expense	10	(2,183,166,225)	(1,444,569,516)
60	8. Net profit after tax		371,327,548,903	284,578,749,930

Ly Tran Kim Ngan	Vu Dang Linh	Nguyen Duc Tai
Preparer	Finance Director	General Director

16 February 2017

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Accounting profit before tax**		**373,510,715,128**	**286,023,319,446**
	Adjustment for:			
05	Profit from investing activities	9	(377,141,311,591)	(287,853,739,044)
08	**Operating loss before changes in working capital**		**(3,630,596,463)**	**(1,830,419,598)**
09	Decrease (increase) in receivables		305,368,031	(155,251,602)
11	Increase (decrease) in payables		546,436,655	(188,950,134)
15	Corporate income tax paid		(2,223,195,470)	(2,425,537,723)
20	**Net cash flows used in operating activities**		**(5,001,987,247)**	**(4,600,159,057)**
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
23	Loans to other entities		(435,300,000,000)	(287,090,000,000)
24	Collections from borrowers		290,431,457,817	76,470,370,645
25	Payments for investments in subsidiaries		-	(72,239,580,000)
27	Interest and dividends received		379,481,619,320	289,531,557,666
30	**Net cash flows from investing activities**		**234,613,077,137**	**6,672,348,311**
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
32	Shares repurchased		(315,300,000)	(2,153,900,000)
36	Dividends paid		(219,929,263,800)	-
40	**Net cash flows used in financing activities**		**(220,244,563,800)**	**(2,153,900,000)**
50	**Net increase (decrease) in cash**		**9,366,526,090**	**(81,710,746)**
60	**Cash at beginning of year**		**84,295,376**	**166,006,122**
70	**Cash at end of year**	**4**	**9,450,821,466**	**84,295,376**

Ly Tran Kim Ngan	Vu Dang Linh	Nguyen Duc Tai
Preparer	Finance Director	General Director

16 February 2017

1. CORPORATE INFORMATION

Mobile World Investment Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103012275 issued by the Department of Planning and Investment of Ho Chi Minh City on 16 January 2009, as amended.

The Company's head office is located at 222 Yersin Street, Phu Cuong Ward, Thu Dau Mot Town, Binh Duong Province, Vietnam and operating office is located at 6th Floor, Etown 2, 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam.

The current principal activity of the Company is to manage investments in subsidiaries.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange with symbol "MWG" in accordance with the Decision No. 253/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange on 7 July 2014.

2. BASIS OF PREPARATION

2.1 *Purpose of preparing the separate financial statements*

The Company has subsidiaries as disclosed in Note 7. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 155/2015/TT-BTC on disclosure of information on the securities market.

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

2.2 *Accounting standards and system*

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

2.3 *Applied accounting documentation system*

The Company's applied accounting documentation system is the Journal Voucher 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 provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the separate 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 separate income statement.

3.3 *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.

3.4 *Payables and accruals*

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

3.5 *Treasury shares*

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

3.6 *Appropriation of net profit*

Net profit after tax (excluding unrealised exchange gains as at the balance sheet date) is available for appropriation to shareholders after getting approval by the shareholders in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *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:

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.

3.8 *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 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.

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 tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets 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.

4. CASH

VND

	Ending balance	*Beginning balance*
Cash on hand	8,432,000	432,000
Cash in banks	9,442,389,466	83,863,376
TOTAL	**9,450,821,466**	**84,295,376**

5. SHORT-TERM LOAN RECEIVABLES

Short-term loan receivables represent loans to its subsidiary and earns interest at the rate of 4.5% p.a. *(Note 11)*.

6. OTHER SHORT-TERM RECEIVABLES

VND

	Ending balance	*Beginning balance*
Loan interest receivables from a related party *(Note 11)*	3,566,619,938	5,918,705,751
Others	122,011,633	85,247,439
TOTAL	**3,688,631,571**	**6,003,953,190**

7. INVESTMENTS IN SUBSIDIARIES

Name	*Ending balance*		*Beginning balance*		*Location*	*Business*
	Interest (%)	*Amount (VND)*	*Interest (%)*	*Amount (VND)*		
The Gioi Di Dong Joint Stock Company	99.95	1,027,352,771,000	99.95	1,027,352,771,000	Ho Chi Minh City - Vietnam	Trading of electronics products
Bach Hoa Xanh Trading Joint Stock Company	99.95	129,952,000,000	99.95	129,952,000,000	Ho Chi Minh City - Vietnam	Trading of food products
		1,157,304,771,000		**1,157,304,771,000**		

8. OWNERS' EQUITY

8.1 *Increase and decrease in owners' equity*

VND

	Share capital	*Share premium*	*Treasury shares*	*(Accumulated losses) undistributed earnings*	*Total*
Previous year:					
Beginning balance	1,119,567,790,000	628,592,500	(300,394,500)	2,812,989,628	1,122,708,977,628
Net profit for the year	-	-	-	284,578,749,930	284,578,749,930
Bonus shares issuance	279,471,970,000	-	-	(279,471,970,000)	-
Shares issuance under ESOP	69,849,980,000	-	-	(69,849,980,000)	-
Shares repurchased	-	-	(2,153,900,000)	-	(2,153,900,000)
Ending balance	1,468,889,740,000	628,592,500	(2,454,294,500)	(61,930,210,442)	1,405,133,827,558
Current year:					
Beginning balance	1,468,889,740,000	628,592,500	(2,454,294,500)	(61,930,210,442)	1,405,133,827,558
Net profit for the year	-	-	-	371,327,548,903	371,327,548,903
Dividends declared *(*)*	-	-	-	(219,929,263,800)	(219,929,263,800)
Shares issuance under ESOP *(**)*	70,619,530,000	-	2,690,430,000	(73,309,960,000)	-
Shares repurchased	-	-	(315,300,000)	-	(315,300,000)
Ending balance	1,539,509,270,000	628,592,500	(79,164,500)	16,158,114,661	1,556,216,812,661

(*) During the year, the Company paid dividend amounting to VND 219,929,263,800 from undistributed earnings to its existing shareholders in accordance with the Shareholders' Resolution No. 01_2016/NQDHDCD/TGDD dated 26 February 2016.

(**) On 14 December 2016, the Company issued 7,330,996 bonus shares to its employees under Employee Stock Ownership Plan ("ESOP") at par value VND 10,000 per share with the total amount of VND 73,309,960,000 from undistributed earnings according to the approval by shareholders on Shareholders' Resolution No. 01_2016/NQDHDCD/TGDD dated 26 February 2016.

8. OWNERS' EQUITY (continued)

8.2 *Share capital*

	Number of shares
Beginning balance	146,888,974
Increase in capital	7,061,953
Ending balance	153,950,927

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share with par value of VND 10,000 carries one vote per share without restriction.

8.3 *Shares – ordinary shares*

	Ending balance *Number of shares*	*Beginning balance* *Number of shares*
Authorized shares	153,950,927	146,888,974
Issued and paid-up shares *Ordinary shares*	*153,950,927*	*146,888,974*
Treasury shares *Ordinary shares*	*(48,670)*	*(218,673)*
Shares in circulation *Ordinary shares*	*153,902,257*	*146,670,301*

9. FINANCE INCOME

	VND *Current year*	*Previous year*
Dividends income	362,608,167,000	279,478,774,372
Interest income	14,533,144,591	8,374,964,672
TOTAL	**377,141,311,591**	**287,853,739,044**

10. 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 is susceptible to varying interpretations, amounts reported in the separate 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 year. The taxable profit of the Company for the year differs from the accounting profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

VND

	Current year	*Previous year*
Accounting profit before tax	373,510,715,128	286,023,319,446
At CIT rate of 20% (2015: 22%)	74,702,143,025	62,925,130,278
Adjustments		
Dividend income	(72,521,633,400)	(61,485,330,362)
Non-deductible expenses	2,656,600	4,769,600
CIT expense	**2,183,166,225**	**1,444,569,516**

11. TRANSACTIONS WITH RELATED PARTIES

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

VND

Related party	*Relationship*	*Transactions*	*Current year*	*Previous year*
The Gioi Di Dong Joint Stock Company	Subsidiary	Dividend	362,608,167,000	279,478,774,372
		Loans	375,300,000,000	287,090,000,000
		Loans collection	290,431,457,817	76,470,370,645
		Loan interest	14,513,780,549	8,373,535,106
		Loan interest received	16,892,816,362	10,001,353,728
Bach Hoa Xanh Trading Joint Stock Company	Subsidiary	Loans	60,000,000,000	-
		Loan interest	142,500,000	-
Mr Robert Willet	Member of the Board of Directors	Consultant fees	1,918,691,053	1,949,419,338

11. TRANSACTIONS WITH RELATED PARTIES (continued)

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

VND

Related party	*Relationship*	*Transactions*	*Ending balance*	*Beginning balance*
Short-term loan receivable				
The Gioi Di Dong Joint Stock Company	Subsidiary	Loans	331,881,041,538	247,012,499,355
Bach Hoa Xanh Trading Joint Stock Company	Subsidiary	Loans	60,000,000,000	-
			391,881,041,538	**247,012,499,355**
Other short-term receivable				
The Gioi Di Dong Joint Stock Company	Subsidiary	Interest	3,397,169,938	5,918,705,751
		Payment on behalf	26,950,000	-
Bach Hoa Xanh Trading Joint Stock Company	Subsidiary	Interest	142,500,000	-
			3,566,619,938	**5,918,705,751**

12. 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.

Ly Tran Kim Ngan	Vu Dang Linh	Nguyen Duc Tai
Preparer	Finance Director	General Director

16 February 2017