

# **Nam Long Investment Corporation**

Interim consolidated financial statements

31 March 2017

# Nam Long Investment Corporation

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INTERIM CONSOLIDATED BALANCE SHEET  
as at 31 March 2017

VND

Code	ASSETS	Notes	31 March 2017	31 December 2016
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>5,987,701,296,461</b>	<b>5,828,216,387,403</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>960,963,162,987</b>	<b>931,562,883,084</b>
111	1. Cash		540,005,105,755	391,805,138,578
112	2. Cash equivalents		420,958,057,232	539,757,744,506
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>9,000,000,000</b>	<b>38,869,085,285</b>
123	1. Held-to-maturity investments		9,000,000,000	38,869,085,285
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,120,135,400,276</b>	<b>1,094,934,187,907</b>
131	1. Short-term trade receivables	6	254,286,543,577	340,384,104,224
132	2. Short-term advances to suppliers	7	635,816,857,210	556,785,295,674
135	3. Short-term loan receivables	8	41,780,000,000	41,780,000,000
136	4. Other short-term receivables	9	193,091,091,027	160,823,879,547
137	5. Provision for doubtful debts		(4,839,091,538)	(4,839,091,538)
<b>140</b>	<b>IV. Inventories</b>		<b>3,821,999,181,642</b>	<b>3,698,432,512,033</b>
141	1. Inventories	10	3,823,768,709,352	3,700,202,039,743
149	2. Provision for obsolete inventories		(1,769,527,710)	(1,769,527,710)
<b>150</b>	<b>V. Other current assets</b>		<b>75,603,551,556</b>	<b>64,417,719,094</b>
151	1. Short-term prepaid expenses	11	11,340,194,281	7,423,269,944
152	2. Value-added tax deductible		63,581,381,861	56,962,394,171
153	3. Tax and other receivables from the State		681,975,414	32,054,979

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 31 March 2017

VND

Code	ASSETS	Notes	31 March 2017	31 December 2016
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>357,126,218,400</b>	<b>380,593,080,263</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>94,918,978,904</b>	<b>124,874,169,981</b>
211	1. Long-term trade receivables	6	151,739,000	151,739,000
216	2. Other long-term receivables	9	94,767,239,904	124,722,430,981
<b>220</b>	<b>II. Fixed assets</b>		<b>55,285,287,419</b>	<b>55,173,350,327</b>
221	1. Tangible fixed assets	12	42,971,640,340	42,094,934,637
222	Cost		78,211,543,382	75,999,017,018
223	Accumulated depreciation		(35,239,903,042)	(33,904,082,381)
227	2. Intangible assets	13	12,313,647,079	13,078,415,690
228	Cost		17,387,596,237	17,927,596,237
229	Accumulated amortisation		(5,073,949,158)	(4,849,180,547)
<b>230</b>	<b>III. Investment properties</b>	<b>14</b>	<b>37,164,808,759</b>	<b>39,335,877,272</b>
231	1. Cost		52,388,388,716	54,222,910,307
232	2. Accumulated depreciation		(15,223,579,957)	(14,887,033,035)
<b>250</b>	<b>V. Long-term investments</b>	<b>15</b>	<b>30,520,390,516</b>	<b>30,520,390,516</b>
252	1. Investments in associate and jointly-controlled entities	15.1	24,797,751,856	24,797,751,856
253	2. Investment in other entities	15.2	5,942,300,000	5,942,300,000
254	3. Provision for long-term investments		(219,661,340)	(219,661,340)
<b>260</b>	<b>VI. Other long-term assets</b>		<b>139,236,752,802</b>	<b>130,689,292,167</b>
261	1. Long-term prepaid expenses	11	57,731,167,091	48,237,961,214
262	2. Deferred tax assets		68,926,270,947	68,614,084,713
269	3. Goodwill	16	12,579,314,764	13,837,246,240
<b>270</b>	<b>TOTAL ASSETS</b>		<b>6,344,827,514,861</b>	<b>6,208,809,467,666</b>

INTERIM CONSOLIDATED BALANCE SHEET (continued)  
as at 31 March 2017

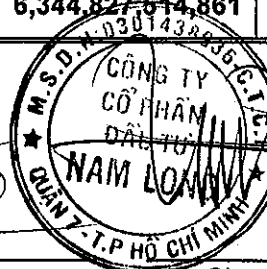
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Code	RESOURCES	Notes	31 March 2017	31 December 2016
<b>300</b>	<b>C. LIABILITIES</b>		<b>3,087,329,321,956</b>	<b>3,061,535,857,828</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>2,143,456,182,024</b>	<b>2,179,393,749,379</b>
311	1. Short-term trade payables	17	121,639,094,869	199,476,008,760
312	2. Short-term advances from customers	18	884,233,385,800	651,548,705,368
313	3. Statutory obligations	19	39,487,766,330	166,366,982,121
314	4. Payables to employees		4,624,327,740	20,358,866,753
315	5. Short-term accrued expenses	20	622,154,773,264	604,558,704,171
319	6. Other short-term payables	21	163,981,665,969	172,835,810,056
320	7. Short-term loans	22	300,256,854,146	353,654,528,674
322	8. Bonus and welfare fund		7,078,313,906	10,594,143,476
<b>330</b>	<b>II. Non-current liabilities</b>		<b>943,873,139,932</b>	<b>882,142,108,449</b>
337	1. Other long-term liabilities	21	8,754,948,118	7,971,859,607
338	2. Long-term loans and debts	22	408,081,332,344	349,613,387,000
339	3. Convertible bond	23	465,457,883,082	463,083,450,079
341	4. Deferred tax liabilities		55,331,868,345	55,331,868,345
342	5. Long-term provisions		6,247,108,043	6,141,543,418
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>3,257,498,192,905</b>	<b>3,147,273,609,838</b>
<b>410</b>	<b>I. Capital</b>		<b>3,257,498,192,905</b>	<b>3,147,273,609,838</b>
411	1. Share capital	24.1	1,421,145,100,000	1,421,145,100,000
411a	- Shares with voting rights		1,421,145,100,000	1,421,145,100,000
412	2. Share premium	24.1	492,161,147,061	492,161,147,061
413	3. Convertible bond option	24.1	40,503,427,830	40,503,427,830
415	4. Treasury shares	24.1	(60,464,200,000)	(60,464,200,000)
418	5. Investment and development fund	24.1	10,929,726,999	10,929,726,999
420	6. Other funds belonging to owners' equity	24.1	3,375,866,454	1,081,198,777
421	7. Undistributed earnings	24.1	567,379,388,916	578,402,902,765
421a	- Undistributed earnings up to the end of prior period-end		546,728,040,423	277,746,420,785
421b	- Undistributed earnings of current period		20,651,348,493	300,656,481,980
429	8. Non-controlling interests	25	782,467,735,645	663,514,306,406
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>6,344,827,514,861</b>	<b>6,208,809,467,666</b>

Pham Hong Hanh  
Preparer

Luong Thi Kim Thoa  
Chief Accountant

Chu Chee Kwang  
General Director



20 April 2017

INTERIM CONSOLIDATED INCOME STATEMENT  
for the three-month period ended 31 March 2017

VND

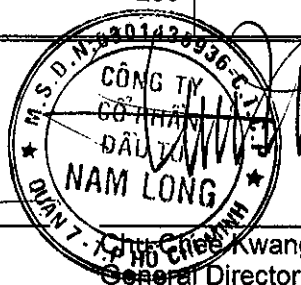
Code	ITEMS	Notes	Quarter 1		Accumulated	
			Current year	Previous year	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	26.1	255,850,907,537	374,747,554,946	255,850,907,537	374,747,554,946
02	2. Deductions	26.1	-	-	-	-
10	3. Net revenues from sale of goods and rendering of services	26.1	255,850,907,537	374,747,554,946	255,850,907,537	374,747,554,946
11	4. Costs of goods sold and services rendered	27	(175,041,591,331)	(256,991,205,082)	(175,041,591,331)	(256,991,205,082)
20	5. Gross profit from sale of goods and rendering of services		80,809,316,206	117,756,349,864	80,809,316,206	117,756,349,864
21	6. Finance income	26.2	15,377,984,552	1,325,398,813	15,377,984,552	1,325,398,813
22	7. Finance expenses	28	(5,108,133,958)	(3,098,778,833)	(5,108,133,958)	(3,098,778,833)
23	- In which: interest expenses		(4,306,259,487)	(2,995,659,011)	(4,306,259,487)	(2,995,659,011)
24	8. Shares of profit of associate, joint-controlled entity	15.1	-	163,282,262	-	163,282,262
25	9. Selling expenses		(23,088,001,445)	(23,674,128,064)	(23,088,001,445)	(23,674,128,064)
26	10. General and administration expenses		(39,679,451,040)	(37,226,422,252)	(39,679,451,040)	(37,226,422,252)
30	11. Operating profit		28,311,714,315	55,245,701,790	28,311,714,315	55,245,701,790
31	12. Other income		1,437,136,618	2,002,670,564	1,437,136,618	2,002,670,564
32	13. Other expenses		(17,048,016)	(902,872,135)	(17,048,016)	(902,872,135)
40	14. Other profit		1,420,088,602	1,099,798,429	1,420,088,602	1,099,798,429
50	15. Accounting profit before tax		29,731,802,917	56,345,500,219	29,731,802,917	56,345,500,219

INTERIM CONSOLIDATED INCOME STATEMENT (continued)  
for the three-month period ended 31 March 2017

Code	ITEMS	Notes	Quarter 1		Accumulated	
			Current year	Previous year	Current year	Previous year
51	16. Current corporate income tax expense	29	(6,890,519,096)	(8,974,920,243)	(6,890,519,096)	(8,974,920,243)
52	17. Deferred income tax income (expense)	29	583,910,578	(5,224,184,985)	583,910,578	(5,224,184,985)
60	18. Net profit after tax		23,425,194,399	42,146,394,991	23,425,194,399	42,146,394,991
61	19. Net profit after tax attributable to shareholders of the parent		21,104,028,694	41,572,564,355	21,104,028,694	41,572,564,355
62	20. Net profit after tax attributable to non-controlling interests		2,321,165,705	573,830,636	2,321,165,705	573,830,636
70	21. Basic earnings per share	31	145	286	145	286
71	22. Diluted earnings per share	31	145	286	145	286

Pham Hong Hanh  
Preparer

Luong Thi Kim Thoa  
Chief Accountant



Chiu Chien Kwang  
General Director

20 April 2017

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
for the three-month period ended 31 March 2017

VND

Code	ITEMS	Note	For the three month period ended 31 March 2017	For the three-month period ended 31 March 2016
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Net profit before tax</b>		<b>29,731,802,917</b>	<b>56,345,500,219</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	12,13, 14,16	3,375,210,262	3,685,280,197
03	Provisions		105,564,625	292,053,503
05	Profits from investing activities		(15,377,984,552)	(1,064,633,875)
06	Interest expense	28	4,306,259,487	2,995,659,011
08	<b>Operating profit before changes in working capital</b>		<b>22,140,852,739</b>	<b>62,253,859,055</b>
09	Decrease (increase) in receivables		7,581,794,927	(66,404,111,253)
10	(Increase) decrease in inventories		(121,266,457,277)	74,399,805,639
11	Increase (decrease) in payables		108,347,634,884	(108,313,158,068)
12	Increase in prepaid expenses		(13,410,130,214)	(12,530,295,862)
14	Interest paid		(31,774,031,692)	(13,374,413,115)
15	Corporate income tax paid		(66,249,601,081)	(14,737,481,761)
17	Other cash outflows used in operating activities		(2,030,251,930)	(7,083,361,233)
20	<b>Net cash flows used in operating activities</b>		<b>(96,660,189,644)</b>	<b>(85,789,156,598)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases and construction of fixed assets	12	(2,212,526,364)	(1,298,876,404)
22	Proceeds from disposals of fixed assets		-	687,324,562
24	Collections from borrowers and proceeds from sale of debt		29,869,085,285	16,636,025,899
25	Payments for investments in other entities		(700,000,000)	(211,117,264,265)
27	Interest and dividends received	26.2	5,552,984,552	901,351,613
30	<b>Net cash flows from (used in) Investing activities</b>		<b>32,509,543,473</b>	<b>(194,191,438,595)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
32	Capital contribution from non-controlling interest		116,927,250,000	-
33	Drawdown of borrowings	22.4	103,361,437,483	171,002,692,725
34	Repayment of borrowings	22.4	(98,437,000,000)	(129,822,378,905)
36	Dividends paid to equity holders		(28,300,761,409)	-
40	<b>Net cash flows from financing activities</b>		<b>93,550,926,074</b>	<b>41,180,313,820</b>



INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the three-month period ended 31 March 2017

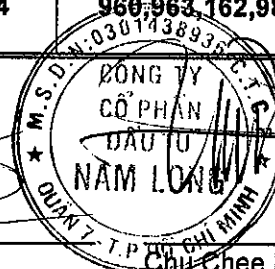
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Code	ITEMS	Notes	For the three-month period ended 31 March 2017	For the three-month period ended 31 March 2016
50	Net increase in cash and cash equivalents		29,400,279,903	(238,800,281,373)
60	Cash and cash equivalents at beginning of period	4	931,562,883,084	423,195,907,688
70	Cash and cash equivalents at end of period	4	960,963,162,987	184,395,626,315

  
Pham Hong Hanh  
Preparer

  
Luong Thi Kim Thoa  
Chief Accountant

  
Chu Chee Kwang  
General Director



20 April 2017

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
as at and for the three-month period ended 31 March 2017

1. **CORPORATE INFORMATION**

Nam Long Investment Corporation ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate ("BRC") No. 4103004194 issued by the Ho Chi Minh City Department of Planning and Investment ("DPI") on 27 December 2005, and the fifteenth amended BRC dated 5 September 2016.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with code NLG in accordance with Decision No. 14/2013/QD-SGDHCM issued by HOSE on 25 January 2013.

As at 31 March 2017, the Company has fourteen direct subsidiaries and two indirect subsidiaries, one associate and one jointly-controlled entity with details as follows:

<i>Company</i>	<i>Location</i>	<i>Business</i>	<i>Ownership %</i>
<b>Subsidiary</b>			
Nam Long Property Management and Development One Member Limited Company (Nam Long PMD)	Ho Chi Minh City ("HCMC")	Construction and real estate	100
Nam Long Service Joint Stock Company ("Nam Long Service")	HCMC	Service and construction	95.21
Nam Long - Hong Phat Joint Stock Company ("Nam Long - Hong Phat")	HCMC	Construction and real estate	99.98
Nguyen Son Real Estate Joint Stock Company ("Nguyen Son")	HCMC	Real estate	87.33
Nam Long Apartment Development Corporation ("Nam Long ADC")	HCMC	Construction and real estate	97.14
Nam Long Real Estate Transaction Floor One Member Limited Liability Company ("Trading Floor")	HCMC	Real estate trading floor	100
Nam Khang Construction Investment Development One Member Limited Liability Company ("Nam Khang")	HCMC	Construction and real estate	100
Nam Vien Construction and Design Consulting Joint Stock Company ("Nam Vien")	HCMC	Service	81.25
Nam Khang Construction Materials Trading Company Limited ("Nam Khang Materials")	HCMC	Construction material trading	100
Nam Long VCD Corporation ("Nam Long VCD")	Long An Province	Construction and real estate	99.91
Nam Phan Investment Corporation ("Nam Phan")	HCMC	Construction and real estate	100
Nguyen Phuc Real Estate Investment and Trading Company Limited ("Nguyen Phuc")	HCMC	Real estate	50.00
Thao Nguyen Real Estate Investment and Trading Company Limited ("Thao Nguyen")	HCMC	Real estate	50.00
NLG – NNR – HR Fuji Company Limited ("NLG – NNR – HR Fuji")	HCMC	Construction and real estate	50.00
NNH Kikyo Flora Company Limited ("Kikyo Flora")	HCMC	Real estate	50.00
NNH Kikyo Valora Company Limited ("Kikyo Valora")	HCMC	Real estate	50.00
<b>Joint venture</b>			
Gamuda - Nam Long Development Limited Liability Company ("Gamuda – Nam Long")	HCMC	Real estate	30.00
<b>Associate</b>			
Okamura Tokyo Co., Ltd	HCMC	Real estate	31.10

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**1. CORPORATE INFORMATION (continued)**

The current principal activities of Nam Long Investment Corporation and its subsidiaries ("the Group") are the engaging in civil and industrial construction; housing renovation and interior decoration; housing trade (construction, renovation of houses for sale or lease); harbour and road bridge construction; ground levelling, construction of drainage systems; installation and repair of electrical systems under 35KV; housing brokerage services; sale and purchase of construction materials; investment in construction and trade of urban areas; investment in construction and trade of infrastructures for industrial zones and hi-tech parks. Investment in construction, trade, management and lease of: office buildings, supermarkets, schools, swimming pools, hotels, restaurants, golf course, sports facility zones and resorts (outside office premises); project management advisory service; design verification; real estate brokerage services; real estate valuation services; real estate exchange services; real estate consulting services; real estate auction services; real estate advertising services; real estate management services.

The head office of Nam Long Investment Corporation is located at 11th Floor, Capital Tower, 6 Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam and one its branch in Can Tho City, Vietnam.

The number of the Group's employees as at 31 March 2017 is 528 (31 December 2016: 624 employees).

**2. BASIS OF PREPARATION**

**2.1 Accounting Standards and System**

The interim consolidated financial statements of the Group expressed in Vietnam dong ("VND") are prepared in accordance with the Vietnamese Enterprise Accounting System, Vietnamese Accounting Standard No.27 – Interim Financial Reporting 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).

Accordingly, the accompanying interim consolidated balance sheet, interim consolidated financial statements and related notes, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**2.2 Applied accounting documentation system**

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

**2.3 Fiscal year**

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

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

**2.4 Accounting currency**

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

**2.5 Basis of consolidation**

The interim consolidated financial statements comprise the interim financial statements of the parent company and its subsidiaries for the three-month period ended 31 March 2017.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

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

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

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

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

**3.2 Inventories**

Inventories comprise development projects undertaken by the Group which are in the work in progress stage and including mainly apartments, town houses and villas for sale under construction and land held for sale.

Apartments, town houses and villas for sale under construction are carried at the lower of cost and net realizable value. Costs include all expenditures including borrowing costs, directly attributable to the development and construction of the apartments, town houses and villas. Net realizable value represents current selling price less estimated cost to complete apartments, town houses and villas, and estimated selling and marketing expenses.

Land held for constructing apartments, town houses and villas which is presented as part of "Inventories" is carried at the lower of cost and net realizable value. Costs include all expenditures including borrowing costs directly related to the acquisition, site clearance, land compensation, and infrastructure construction. Net realizable value represents estimated current selling price less anticipated cost of disposal.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

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

**3.2 Inventories (continued)**

*Provision for obsolete inventories*

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

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

**3.3 Receivables**

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

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

**3.4 Fixed assets**

Tangible and intangible fixed assets are stated at cost less accumulated depreciation and amortisation.

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

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

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

*Land use rights ("LURs")*

LURs are recorded as intangible fixed assets if the land is held for use in the production or business, for rental to others by the enterprise and when the Company receives the LUR certificate. The cost of LUR comprises any directly attributable costs of preparing the land for its intended use. LUR with indefinite useful life is not amortised.

The advance payment for land rental, of which the land lease contracts have effectiveness prior to 2003 and the land use rights certificate being issued are recorded as intangible asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45"). The land use right is amortized over the useful life, except for land use right having indefinite useful life is not amortised.

**3.5 Leased assets**

*Where the Group is the lessee*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

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

**3.5 Leased assets (continued)**

*Where the Group is the lessor*

Assets subject to operating leases are included as the Group's investment properties in the interim consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the interim consolidated income statement as incurred to the carrying value of the leased asset for amortisation to the interim consolidated income statement over the lease term.

Lease income is recognised in the interim consolidated income statement on a straight-line basis over the lease term.

**3.6 Depreciation and amortisation**

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

Buildings and structures	25 - 47 years
Machinery and equipment	5 - 12 years
Means of transportation	6 - 8 years
Office equipment and furniture	3 - 8 years
Computer software	3 - 5 years
Land use rights	47 years
Other assets	3 - 5 years

**3.7 Investment properties**

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

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

Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	6 - 47 years
Land use rights ("LUR")	47 years

LUR with indefinite useful life is not amortised.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the interim consolidated income statement in the 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

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

**3.8 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

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

**3.9 Prepaid expenses**

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

The following types of expenses are recorded as long-term prepaid expense and are amortised to the interim consolidated income statement:

- ▶ Tools and consumables with large value issued into construction and can be used for more than one year;
- ▶ Show houses; and
- ▶ Commissions.

**3.10 Business combinations and goodwill**

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the interim consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over a maximum period of 10 years on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the interim consolidated income statement.

**3.11 Investments**

*Investments in associates*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

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

#### 3.11 *Investments* (continued)

##### *Investments in associates* (continued)

Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends/profit sharing received or receivable from associates reduces the carrying amount of the investment.

The interim financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

##### *Interests in joint ventures*

The Group's investment in jointly controlled entity is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the interim consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity. The interim consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

The share of profit (loss) of the jointly controlled entity is presented on face of the interim consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from jointly controlled entities reduce the carrying amount of the investment.

The interim financial statements of the jointly controlled entities are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in the line with those of the Group.

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

##### *Provision for investments*

Provision is made for any diminution in value of investments in capital of other entities at the interim balance sheet date representing the excess of the acquisition cost over the market value at that 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 interim consolidated income statement.

##### *Held-to-maturity investments*

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

#### 3.12 *Payable and accruals*

Payable and accrual are recognised for amount to be paid in the future for goods and services received, whether or not billed to the Group.



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

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

#### 3.13 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting period for all employees who have been in service for more than 12 months up to 31 December 2008 at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation will be revised at the end of each reporting period following the average monthly salary of the 6-month period up to the reporting date. Increases and decreases to the accrued amount other than actual payment to employee will be taken to the interim consolidated income statement.

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

#### 3.14 *Foreign currency transactions*

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

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment.

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

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

All foreign exchange differences are taken to the interim consolidated income statement.

#### 3.15 *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 Group's own equity instruments.

#### 3.16 *Appropriation of net profit*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to investors after approval by appropriate level of authority, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnamese regulatory requirements.

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

► *Investment and development fund*

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

► *Other funds belonging to owners' equity*

Subsidised funds for operating activities, projects include remuneration schedule fund and operating budget fund.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

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

#### 3.16 *Appropriation of net profit* (continued)

##### ▶ *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 interim consolidated balance sheet.

#### 3.17 *Earnings per share*

Basic earnings per share amount is computed by dividing net profit attributable to ordinary equity holders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

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

#### 3.18 *Revenue recognition*

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

##### *Sale of villas, town houses, and apartments*

For villas, town houses and apartments sold after completion of construction, the revenue and associated costs are recognised when the significant risks and rewards of ownership of the villas, town houses, or apartments have passed to the buyers.

##### *Sale of residential plots and related infrastructure*

Revenue from the sale of residential plots and related infrastructure are recorded at the total consideration received when residential plots and related infrastructure are transferred to the customers.

##### *Rendering of other services*

Revenue is recognised when services have been rendered 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 Group's entitlement as an investor to receive the dividend is established.

##### *Rental income*

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

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

#### 3.19 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 interim consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

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

##### *Deferred tax*

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

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

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

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

**3.20 Convertible bond**

Bonds that are convertible by the holder into a fixed number of ordinary shares of the entity are separated into financial liability (a contractual arrangement to deliver cash or other financial assets) and equity instrument (a call option granting the holder the right, for a specified period of time) based on the terms of the contract.

On issuance of the convertible bond, the fair value of the liability component is determined by discounting the future payment (including principal and interest) to present value at the market rate for an equivalent non-convertible bond less issuance cost. This amount is classified as a financial liability measured at amortised cost (net of issuance costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity. The carrying amount of the conversion option is not re-measured in subsequent periods.

Transaction costs are amortised during the lifetime of the bond. At initial recognition, issuance costs are deducted from the liability component of the bond.

**3.21 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group.

Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influences over the Group, key management personnel, including directors and officers of the Group and close members of the families of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

**3.22 Segment Information**

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Group's revenue and profit are derived mainly from real estate business in Vietnam while other sources of revenue are not material as a whole. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**4. CASH AND CASH EQUIVALENTS**

	<i>VND</i>	
	<i>31 March 2017</i>	<i>31 December 2016</i>
Cash on hand	5,010,103,416	4,103,225,059
Cash at banks	534,995,002,339	387,701,913,519
Cash equivalents (*)	<u>420,958,057,232</u>	<u>539,757,744,506</u>
<b>TOTAL</b>	<b><u>960,963,162,987</u></b>	<b><u>931,562,883,084</u></b>

(\*) Cash equivalents comprise bank deposits with original maturity of less than three months and earn interest at the rate of from 4.3% to 5.5% per annum.

**5. SHORT-TERM INVESTMENTS**

Held-to-maturity investments represent the term deposits at the commercial banks with the original maturity of six months and earning the interest at the rates of 5.3% to 6.4% per annum.

**6. SHORT-TERM TRADE RECEIVABLES**

	<i>VND</i>	
	<i>31 March 2017</i>	<i>31 December 2016</i>
Short term		
Trade receivables from customers	253,944,788,480	340,042,349,127
Trade receivables from related parties <i>(Note 30)</i>	<u>341,755,097</u>	<u>341,755,097</u>
	<b><u>254,286,543,577</u></b>	<b><u>340,384,104,224</u></b>
Long term		
Trade receivables from customers	<u>151,739,000</u>	<u>151,739,000</u>
<b>TOTAL</b>	<b><u>254,438,282,577</u></b>	<b><u>340,535,843,224</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**7. SHORT-TERM ADVANCES TO SUPPLIERS**

	VND	
	31 March 2017	31 December 2016
Advances for purchases of land use rights	513,029,360,114	477,881,353,363
<i>Advances for acquisition of Hoang Nam Project</i>	<i>501,000,000,000</i>	<i>471,400,000,000</i>
<i>Others</i>	<i>12,029,360,114</i>	<i>6,481,353,363</i>
Advances for construction services	108,075,502,962	70,998,535,407
<i>Dien Quang Nguyen Construction Joint Stock Company</i>	<i>11,636,598,881</i>	<i>14,317,824,472</i>
<i>An Phong Company Limited</i>	<i>17,221,581,567</i>	-
<i>Sai Gon Thinh Vuong Investment Joint Stock Company</i>	<i>6,108,157,682</i>	<i>6,643,729,992</i>
<i>Phu Vinh Hoa Joint Stock Company</i>	<i>6,605,500,797</i>	<i>5,336,773,285</i>
<i>Vinh Hoa Viet Joint Stock Company</i>	<i>4,512,284,833</i>	<i>4,487,434,833</i>
<i>Others</i>	<i>61,991,379,202</i>	<i>40,212,772,825</i>
Others	14,711,994,134	7,905,406,904
<b>TOTAL</b>	<b><u>635,816,857,210</u></b>	<b><u>556,785,295,674</u></b>

**8. SHORT-TERM LOAN RECEIVABLES**

	VND	
	31 March 2017	31 December 2016
Loans to individuals	<u>41,780,000,000</u>	<u>41,780,000,000</u>

Details of the loan receivables are as follows:

<i>Borrower</i>	<i>31 March 2017 and 31 December 2016</i>	<i>Due date</i>	<i>Interest rate</i>
	VND		% p.a
<b><i>Mr Nguyen Thanh Dong</i></b>			
Loan Agreement dated 30 December 2016	23,180,000,000	30 December 2017	7.0
<b><i>Ms Vu Bích Lan</i></b>			
Loan Agreement dated 28 December 2016	18,600,000,000	28 December 2017	7.0
	<b><u>41,780,000,000</u></b>		

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

9. OTHER RECEIVABLES

	VND	
	31 March 2017	31 December 2016
<b>Short-term</b>		
Staff advances for land compensation purpose	126,236,360,930	111,354,640,763
Staff advances for other purposes	21,469,932,186	14,261,932,186
Prepayment of corporate income tax based on payment progress of customers	10,977,347,546	9,213,961,104
Receivable from disposal of investment in Business Cooperation Contracts ("BCC")	16,035,353,467	6,210,353,467
Others	<u>18,372,096,898</u>	<u>19,782,992,027</u>
	<u>193,091,091,027</u>	<u>160,823,879,547</u>
<b>Long-term</b>		
Investments in BCC projects (i)	87,264,530,680	117,264,530,680
Deposit	<u>7,502,709,224</u>	<u>7,457,900,301</u>
	<u>94,767,239,904</u>	<u>124,722,430,981</u>
<b>TOTAL</b>	<b>287,858,330,931</b>	<b>285,546,310,528</b>
Provision for doubtful debts	<u>(4,653,330,043)</u>	<u>(4,653,330,043)</u>
<b>NET</b>	<b><u>283,205,000,888</u></b>	<b><u>280,892,980,485</u></b>
<i>In which:</i>		
Due from other parties	283,205,000,888	280,892,980,485
Due from related parties	-	-

(i) This amount mainly represented the BCC with 21 Century Joint Stock Company in 2015 to develop Lot 9B7 Residential Area on an area of 5.9 hectares in South Sai Gon Urban Area. The Company has 60% interest in this BCC. As at 31 March 2017, this project was under completion stage and hand over.

10. INVENTORIES

	VND	
	31 March 2017	31 December 2016
Inventory properties under development (*)	3,767,792,674,135	3,653,677,010,465
Engineering Procurement Contracts ("EPC") services	55,763,810,685	44,069,063,208
Finished goods	-	1,687,790,909
Construction materials	<u>212,224,532</u>	<u>768,175,161</u>
<b>TOTAL</b>	<b><u>3,823,768,709,352</u></b>	<b><u>3,700,202,039,743</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

10. INVENTORIES (continued)

(\*) Details of inventory properties under development are as follows:

	VND	
	31 March 2017	31 December 2016
Long An project (i)	1,432,734,506,007	1,410,132,529,019
Fuji project	740,014,609,235	693,986,174,349
Nguyen Son project	620,203,343,366	581,124,624,485
Phu Huu project	580,428,414,473	515,253,842,875
Nam Long Hong Phat project	125,710,410,087	160,568,491,597
Phuoc Long B project – Extension	72,421,082,074	72,484,697,580
Tan Thuan Dong project	64,604,439,522	66,297,696,252
Can Tho project (i)	49,506,523,522	48,647,599,538
Thao Nguyen project	48,142,041,859	48,142,041,859
Go O Moi project	12,874,704,656	12,561,986,261
Binh Duong project ("Ehome 4 project")	9,375,929,633	6,677,696,256
Phuoc Long B project – Apartment (i)	921,125,373	13,050,022,077
Nhon Trach project	211,865,659	211,865,659
Others	10,643,678,669	24,537,742,658
<b>TOTAL</b>	<b><u>3,767,792,674,135</u></b>	<b><u>3,653,677,010,465</u></b>

(i) LURs have been mortgaged to secure the Group's outstanding borrowings (Note 22):

- LURs in Hung Thanh Ward, Cai Rang District, Can Tho City;
- LURs in An Thanh Ward, Ben Luc District, Long An Province; and
- LURs in An Lac Ward, Binh Tan District, Ho Chi Minh City;

11. PREPAID EXPENSES

	VND	
	31 March 2017	31 December 2016
<b>Short-term</b>		
Tools and supplies	4,758,507,285	3,987,948,691
Operating expenses	5,517,496,464	2,960,621,998
Others	1,064,190,532	474,699,255
	<u>11,340,194,281</u>	<u>7,423,269,944</u>
<b>Long-term</b>		
Commission fees	55,432,005,504	46,037,828,520
Tools and supplies	2,122,087,407	2,069,793,214
Others	177,074,180	130,339,480
	<u>57,731,167,091</u>	<u>48,237,961,214</u>
<b>TOTAL</b>	<b><u>69,071,361,372</u></b>	<b><u>55,661,231,158</u></b>



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

12. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment and furniture	Other assets	Total	VND
<b>Cost:</b>							
31 December 2016	50,779,575,483	11,703,266,072	6,980,703,283	5,396,138,334	1,139,333,846	75,999,017,018	
Newly purchase	-	1,978,526,364	-	-	234,000,000	2,212,526,364	
31 March 2017	50,779,575,483	13,681,792,436	6,980,703,283	5,396,138,334	1,373,333,846	78,211,543,382	
<b>Accumulated depreciation:</b>							
31 December 2016	(18,188,960,280)	(6,826,950,225)	(4,809,886,452)	(3,089,751,578)	(988,533,846)	(33,904,082,381)	
Depreciation for the period	(530,021,991)	(268,276,879)	(387,114,916)	(145,206,875)	(5,200,000)	(1,335,820,661)	
31 March 2017	(18,718,982,271)	(7,095,227,104)	(5,197,001,368)	(3,234,958,453)	(993,733,846)	(35,239,903,042)	
<b>Net carrying amount:</b>							
31 December 2016	32,590,615,203	4,876,315,847	2,170,816,831	2,306,386,756	150,800,000	42,094,934,637	
31 March 2017	32,060,593,212	6,586,565,332	1,783,701,915	2,161,179,881	379,600,000	42,971,640,340	

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**13. INTANGIBLE ASSETS**

			<i>VND</i>
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
31 December 2016	13,128,104,718	4,799,491,519	17,927,596,237
Transfer to inventory	<u>(540,000,000)</u>	<u>-</u>	<u>(540,000,000)</u>
31 March 2017	<u>12,588,104,718</u>	<u>4,799,491,519</u>	<u>17,387,596,237</u>
<b>Accumulated amortisation:</b>			
31 December 2016	(1,459,217,583)	(3,389,962,964)	(4,849,180,547)
Amortization for the period	<u>(51,330,088)</u>	<u>(173,438,523)</u>	<u>(224,768,611)</u>
31 March 2017	<u>(1,510,547,671)</u>	<u>(3,563,401,487)</u>	<u>(5,073,949,158)</u>
<b>Net carrying amount:</b>			
31 December 2016	<u>11,668,887,135</u>	<u>1,409,528,555</u>	<u>13,078,415,690</u>
31 March 2017	<u>11,077,557,047</u>	<u>1,236,090,032</u>	<u>12,313,647,079</u>

**14. INVESTMENT PROPERTIES**

			<i>VND</i>
	<i>Land use rights</i>	<i>Buildings and structures</i>	<i>Total</i>
<b>Cost:</b>			
31 December 2016	9,418,240,612	44,804,669,695	54,222,910,307
Transfer to inventory	<u>-</u>	<u>(1,834,521,591)</u>	<u>(1,834,521,591)</u>
31 March 2017	<u>9,418,240,612</u>	<u>42,970,148,104</u>	<u>52,388,388,716</u>
<b>Accumulated depreciation and amortisation:</b>			
31 December 2016	(8,479,085,367)	(6,407,947,668)	(14,887,033,035)
Depreciation and amortization for the period	<u>(42,716,041)</u>	<u>(513,973,473)</u>	<u>(556,689,514)</u>
Transfer to inventory	<u>-</u>	<u>220,142,592</u>	<u>220,142,592</u>
31 March 2017	<u>(8,521,801,408)</u>	<u>(6,701,778,549)</u>	<u>(15,223,579,957)</u>
<b>Net carrying amount:</b>			
31 December 2016	<u>939,155,245</u>	<u>38,396,722,027</u>	<u>39,335,877,272</u>
31 March 2017	<u>896,439,204</u>	<u>36,268,369,555</u>	<u>37,164,808,759</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**15. LONG-TERM INVESTMENTS**

	VND	
	31 March 2017	31 December 2016
Investment in associate and jointly controlled entity (Note 15.1)	24,797,751,856	24,797,751,856
Other long-term investments (Note 15.2)	5,942,300,000	5,942,300,000
Provision for long-term investments	<u>(219,661,340)</u>	<u>(219,661,340)</u>
<b>NET</b>	<b><u>30,520,390,516</u></b>	<b><u>30,520,390,516</u></b>

**15.1 Investment in an associate and jointly-controlled entity**

Entities	Business	At 31 March 2017 and 31 December 2016	
		Interest %	Cost of investment VND
Gamuda - Nam Long Development Limited Liability Company	Real Estate	30	22,400,000,000
Okamura Tokyo Co., Ltd.	Real Estate	31.1	834,000,000

Detail of this investment in an associate and jointly-controlled entity are as follows:

	VND		
	Okamura Tokyo Co., Ltd.	Gamuda – Nam Long	Total
<b>Cost of investment:</b>			
31 March 2017 and 31 December 2016	<u>834,000,000</u>	<u>22,400,000,000</u>	<u>23,234,000,000</u>
<b>Accumulated share in post-acquisition profit/ (loss)</b>			
31 March 2017 and 31 December 2016	<u>(465,284,009)</u>	<u>2,029,035,865</u>	<u>1,563,751,856</u>
<b>Net carrying amount</b>			
31 March 2017 and 31 December 2016	<u>368,715,991</u>	<u>24,429,035,865</u>	<u>24,797,751,856</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

15. LONG-TERM INVESTMENTS (continued)

15.2 Other long-term Investments

	As at 31 March 2017 and 31 December 2016		
	Quantity of shares	Interest (%)	Cost of investment VND
Bac Trung Nam Housing Development Joint Stock Company	353,330	7.00	3,533,300,000
Hong Phat Finance Investment Corporation	150,000	1.25	2,409,000,000
<b>TOTAL</b>			<b>5,942,300,000</b>

16. GOODWILL

The movements in goodwill during the period are as follows:

	Goodwill arising from investments in		VND
	Nguyen Son	Nam Long - Hong Phat	Total
<b>Cost:</b>			
31 December 2016 and 31 March 2017	32,906,583,473	2,336,088,442	35,242,671,915
<b>Accumulated amortisation:</b>			
31 December 2016	(19,069,337,233)	(2,336,088,442)	(21,405,425,675)
Amortization for the period	(1,257,931,476)	-	(1,257,931,476)
31 March 2017	(20,327,268,709)	(2,336,088,442)	(22,663,357,151)
<b>Net carrying amount:</b>			
31 December 2016	13,837,246,240	-	13,837,246,240
31 March 2017	12,579,314,764	-	12,579,314,764

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**17. SHORT-TERM TRADE PAYABLES**

	VND	
	31 March 2017	31 December 2016
Trade payables to suppliers	121,639,094,869	199,476,008,760
<i>Hung QuocThinh Services Trading Company Limited</i>	29,003,289,318	51,254,292,144
<i>6D Joint Stock Company</i>	11,542,907,820	25,517,601,720
<i>Vietnam Uni Eastern Company Limited</i>	7,093,510,499	12,523,635,523
<i>QH Plus Corporation</i>	15,750,397,013	10,405,912,933
<i>Payables to other construction contractors</i>	58,248,990,219	99,774,566,440
Trade payables to related parties	-	-
<b>TOTAL</b>	<b><u>121,639,094,869</u></b>	<b><u>199,476,008,760</u></b>

**18. ADVANCES FROM CUSTOMERS**

This amount represented advances from customers for apartments, town houses, villas and land purchases which were not handed over.

**19. STATUTORY OBLIGATIONS**

	VND	
	31 March 2017	31 December 2016
Corporate income tax	26,579,220,469	85,937,895,301
Value-added tax	8,276,483,690	35,057,866,819
Others	4,632,062,171	45,371,220,001
<b>TOTAL</b>	<b><u>39,487,766,330</u></b>	<b><u>166,366,982,121</u></b>

**20. SHORT-TERM ACCRUED EXPENSES**

	VND	
	31 March 2017	31 December 2016
Cost-to-complete of projects that revenues have been recognised	529,356,744,279	494,846,884,624
Interest expense payables	18,681,760,027	36,325,426,027
Warranty expenses for projects	19,048,137,637	21,983,341,011
Supporting interest payable	30,950,020,305	28,510,665,631
Other operating costs	24,118,111,016	22,892,386,878
<b>TOTAL</b>	<b><u>622,154,773,264</u></b>	<b><u>604,558,704,171</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

21. OTHER PAYABLES

	VND	
	31 March 2017	31 December 2016
<b>Short-term</b>		
Maintenance fee for Ehome projects	101,380,066,748	98,663,839,102
Payables for on-going projects	32,976,087,511	40,874,681,511
Investment contributions received for BCCs	7,405,608,248	7,764,901,664
Dividends payable to non-controlling interests	1,545,289,890	1,846,051,299
Deposits received	794,635,000	755,635,000
Others	19,879,978,572	22,930,701,480
Other payables to related parties	-	-
	<u>163,981,665,969</u>	<u>172,835,810,056</u>
<b>Long-term</b>		
Deposits for rental office	<u>8,754,948,118</u>	<u>7,971,859,607</u>
<b>TOTAL</b>	<u>172,736,614,087</u>	<u>180,807,669,663</u>

22. LOANS

	VND	
	31 March 2017	31 December 2016
<b>Short-term</b>		
Short-term loans from individuals (Note 22.1)	59,893,865,335	69,894,565,335
Short-term loan from banks (Note 22.1)	90,683,930,219	82,126,096,080
Current portion of bonds (Note 22.3)	38,836,342,592	99,690,509,259
Current portion of long-term loans (Note 22.2)	110,842,716,000	101,943,358,000
	<u>300,256,854,146</u>	<u>353,654,528,674</u>
<b>Long-term</b>		
Loans from banks (Note 22.2)	518,924,048,344	451,556,745,000
Current portion	110,842,716,000	101,943,358,000
Non-current portion	408,081,332,344	349,613,387,000
Bonds (Note 22.3)	-	99,690,509,259
Current portion	-	99,690,509,259
	<u>408,081,332,344</u>	<u>349,613,387,000</u>
<b>TOTAL</b>	<u>708,338,186,490</u>	<u>703,267,915,674</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**22. LOANS (continued)**

**22.1 Short-term loans**

Details of the short-term loans are as follows:

	Ending balance	Due date	Purpose	Interest rate	Description of collateral
	VND			% p.a	
<b>Loans from individuals</b>					
Short-term loans from individuals	59,893,865,335	9 December 2017	Support working capital needs	9.5 - 10.5	Unsecured
<b>Loans from banks</b>					
Orient Commercial Joint Stock Bank	56,928,466,222	March 2017	Support working capital needs	8.0	LUR in map number 5, An Thanh Ward, Ben Luc District, Long An Province
Vietnam Bank for Agriculture and Rural Development - Brand 8	20,755,463,997	January 2017	Support working capital needs	8.0	LUR and associated assets of An Thanh Ward, Ben Luc District, Long An Province
Ho Chi Minh City Housing Development Bank	13,000,000,000	November 2017	Finance Ehome, Long An and Nguyen Son projects	9.5	1 LUR in Hung Thanh Ward, Cai Rang District, Can Tho; and 1 LUR in An Thanh Ward, Ben Luc District, Long An Province.
<b>TOTAL</b>	<b>90,683,930,219</b>				

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

22. LOANS (continued)

22.2 Long-term loans from banks

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

Bank	Ending balance	Principal repayment term	Purpose	Interest rate (%/p.a)	Description of collateral
Orient Commercial Joint Stock Bank – Loan 1	VND 105,843,745,000	From 26 September 2016 to 6 May 2018	Finance Ehome 3 project	9.7	LUR for 1,064,307 square meters and future associated assets of Long An VCD project
Orient Commercial Joint Stock Bank – Loan 2	300,000,000,000	From 12 October 2017 to 12 October 2022	Purchase project Hoang Nam	9.9	Guaranteed by Hoang Nam Construction Trading Limited
Orient Commercial Joint Stock Bank – Loan 3	113,080,303,344	From 26 September 2016 to 26 December 2023	Finance Nguyen Son projects	10.7	LUR and associated assets owned by Nam Long VCD Corporation and Nguyen Son house construction project at Binh Chanh District
<b>TOTAL</b>	<b>518,924,048,344</b>				

In which:

- Current portion of long-term loans	110,842,716,000
- Long-term loans	408,081,332,344



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**22. LOANS (continued)**

**22.3 Bond**

On 28 July 2014, the Company issued 350 non-convertible bonds to Orient Commercial Joint Stock Bank at par value of VND 1,000,000,000 per bond and at interest rate of 8.78% per annum for the first half year, paid on issuance date, and of 2.5% plus average interest rate of 12 month deposits at Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Investment and Development of Vietnam and Orient Commercial Joint Stock Bank, for the following years. The bonds will expire on 28 July 2017, and are used to finance working capital and for Ehome projects.

*Description of collaterals*

59 LURs at An Thanh residential compound, An Thanh, Ben Luc, Long An.

**22.4 Movements of loans and bond during the period**

	Loans	Bond	VND Total
<b>Beginning balance</b>	<b>603,577,406,415</b>	<b>99,690,509,259</b>	<b>703,267,915,674</b>
Drawdown from borrowings	103,361,437,483	-	103,361,437,483
Repayment from borrowings	(37,437,000,000)	(61,000,000,000)	(98,437,000,000)
Cost of issuing bonds	-	145,833,333	145,833,333
<b>Ending balance</b>	<b>669,501,843,898</b>	<b>38,836,342,592</b>	<b>708,338,186,490</b>

**23. CONVERTIBLE BOND**

On 8 April 2016, the Board of Directors approved a detailed plan to execute the issuance of the convertible bonds amounting to VND 500,000,000,000 to Ibeworth Pte. Ltd, a wholly-owned subsidiary of Keppel Land Ltd. in accordance with the terms and conditions stipulated in the shareholders' resolution No. 01/2016/NQ/ĐHĐCĐ/NLGs dated 18 March 2016. On 15 April 2016, the Company issued VND 500,000,000,000 convertible bonds at par value of VND 1,000,000,000 per unit. The bonds will be converted into equity at the bond holder's option upon maturity and interest is charged from the purchase date at 7% per annum. Interest since the Interest Payment date last preceding the relevant Conversion date is waived if conversion option is exercised at a conversion price of VND 23,500 per share which is subject to adjustments for dilutive events if any.

The equity and liability component of the convertible bond are presented as below:

	VND 31 March 2017
Value of convertible bond	500,000,000,000
Equity component	(40,503,427,830)
<b>Liability component at initial recognition</b>	<b>459,496,572,170</b>
<b>Liability component at 31 December 2016</b>	<b>463,083,450,079</b>
Add: Amortisation in year	2,374,433,003
<b>Liability component at 31 March 2017</b>	<b>465,457,883,082</b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**24. OWNERS' EQUITY**

**24.1 Increases and decreases in owners' equity**

	Share capital	Share premium	Treasury share	Investment and development fund	Other funds belonging to owners' equity	Undistributed earnings	Equity component of convertible bond	VND
<b>For the three-month period ended 31 March 2016</b>								
31 December 2015	1,415,721,570,000	492,337,147,061	(60,464,200,000)	10,929,726,999	1,115,488,341	358,242,808,221	-	2,217,882,540,622
Net profit after tax	-	-	-	-	-	41,572,564,355	-	41,572,564,355
Appropriation of net profit	-	-	-	-	3,573,261,170	(3,573,261,170)	-	-
Utilisation of funds	-	-	-	-	(1,997,304,128)	-	-	(1,997,304,128)
Other decrease	-	-	-	-	-	(7,796,711,061)	-	(7,796,711,061)
31 March 2016	1,415,721,570,000	492,337,147,061	(60,464,200,000)	10,929,726,999	2,691,445,383	388,445,400,345	-	2,249,661,089,788
<b>For the three-month period ended 31 March 2017</b>								
31 December 2016	1,421,145,100,000	492,161,147,061	(60,464,200,000)	10,929,726,999	1,081,198,777	578,402,902,765	40,503,427,830	2,483,759,303,432
Net profit after tax	-	-	-	-	-	21,104,028,694	-	21,104,028,694
Dividend declared	-	-	-	-	-	(28,000,000,000)	-	(28,000,000,000)
Appropriation of net profit	-	-	-	-	3,913,667,677	(3,674,862,342)	-	238,805,335
Utilisation of funds	-	-	-	-	(1,619,000,000)	-	-	(1,619,000,000)
Other decrease (*)	-	-	-	-	-	(452,680,201)	-	(452,680,201)
31 March 2017	1,421,145,100,000	492,161,147,061	(60,464,200,000)	10,929,726,999	3,375,866,454	567,379,388,916	40,503,427,830	2,475,030,457,260

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**24. OWNERS' EQUITY** (continued)

**24.1 Increases and decreases in owners' equity** (continued)

(\*) On 14 January 2016, the Group acquired an additional 23.92% interest in its subsidiary, Nam Long Service to increase its ownership in this company to 95.21%, at the total consideration of VND 700,000,000 paid to the non-controlling shareholders. The difference of VND 452,680,201 between the above consideration and the carrying value of the interest acquired at the acquisition date amounting to VND 247,319,799 has been recognised as a decrease in undistributed earnings.

**24.2 Shares**

	31 March 2017	31 December 2016
	<i>Number of shares</i>	<i>Number of shares</i>
<b>Authorized shares</b>	<b>142,114,510</b>	<b>142,114,510</b>
<b>Issued shares</b>		
<i>Issued and paid-up shares</i>	<i>142,114,510</i>	<i>142,114,510</i>
Ordinary shares	142,114,510	142,114,510
<b>Treasury shares</b>		
<i>Held by subsidiaries</i>	<i>6,502,165</i>	<i>6,502,165</i>
Ordinary shares	6,502,165	6,502,165
<b>Shares in circulation</b>		
Ordinary shares	135,612,345	135,612,345

**25. NON-CONTROLLING INTERESTS**

	VND	
	31 March 2017	31 December 2016
Contributed charter capital	716,833,393,470	599,906,143,470
Share premium	26,412,286,830	26,412,286,830
Treasury shares	(656,280,000)	(656,280,000)
Investment and development funds	125,693,756	125,693,756
Other funds belonging to owner's equity	846,532,269	846,532,269
Asset revaluation reserve	63,818,489	63,818,489
Undistributed earnings	38,842,290,831	36,816,111,592
<b>TOTAL</b>	<b><u>782,467,735,645</u></b>	<b><u>663,514,306,406</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**26. REVENUES**

**26.1 Revenues from sale of goods and rendering of services**

	VND	
	For the three-month period ended 31 March 2017	For the three-month period ended 31 March 2016
<b>Gross revenues</b>	<b>255,850,907,537</b>	<b>374,747,554,946</b>
<i>In which:</i>		
<i>Sale of land, apartments, town houses and villas</i>	244,275,832,749	364,585,255,008
<i>Rendering of services</i>	7,307,446,476	4,220,253,178
<i>Rental income from investment properties</i>	4,267,628,312	5,942,046,760
<b>Less</b>		
Sales returns	-	-
<b>Net revenues</b>	<b><u>255,850,907,537</u></b>	<b><u>374,747,554,946</u></b>
<i>In which:</i>		
<i>Sale of land, apartments, town houses and villas</i>	244,275,832,749	364,585,255,008
<i>Rendering of services</i>	7,307,446,476	4,220,253,178
<i>Rental income from investment properties</i>	4,267,628,312	5,942,046,760
<i>In which:</i>		
<i>Sale to other parties</i>	255,850,907,537	374,747,554,946

**26.2 Finance income**

	VND	
	For the three-month period ended 31 March 2017	For the three-month period ended 31 March 2016
Interest income	5,376,319,552	901,351,613
Profit received from BCCs	9,825,000,000	-
Others	176,665,000	424,047,200
<b>TOTAL</b>	<b><u>15,377,984,552</u></b>	<b><u>1,325,398,813</u></b>

**27. COST OF GOODS SOLD AND SERVICES RENDERED**

	VND	
	For the three-month period ended 31 March 2017	For the three-month period ended 31 March 2016
Cost of land, apartments, town houses and villas	166,210,215,556	250,482,018,426
Cost of rendering of services	6,103,224,341	3,970,410,091
Operating costs of investment property	2,728,151,434	2,538,776,565
<b>TOTAL</b>	<b><u>175,041,591,331</u></b>	<b><u>256,991,205,082</u></b>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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**28. FINANCE EXPENSES**

	<i>VND</i>	
	<i>For the three-month period ended 31 March 2017</i>	<i>For the three-month period ended 31 March 2016</i>
Interest expense on bonds issued and bank loans	4,306,259,487	2,995,659,011
Others	801,874,471	103,119,822
<b>TOTAL</b>	<b><u>5,108,133,958</u></b>	<b><u>3,098,778,833</u></b>

**29. CORPORATE INCOME TAX**

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

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

***CIT expense***

	<i>VND</i>	
	<i>For the three-month period ended 31 March 2017</i>	<i>For the three-month period ended 31 March 2016</i>
Estimated current CIT expenses	6,890,519,096	8,974,920,243
Deferred income tax (income)/expenses	(583,910,578)	5,224,184,985
<b>TOTAL</b>	<b><u>6,306,608,518</u></b>	<b><u>14,199,105,228</u></b>

**30. TRANSACTIONS WITH RELATED PARTIES**

Significant transactions of the Group with related parties during the period were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i> <i>For the three-month period ended 31 March 2017</i>
Ms Nguyen Thi Phuc Nguyen	Related party	Advance to purchase land	1,560,085,727
		Refund of advance	1,671,373,000
		Dividend payable	81,320,163
		Dividend paid	81,320,163
		Loan repayment	4,692,821,000
Ms Ngo Thi Ngoc Lieu	Related party	Dividend paid	1,780,350,249
		Advance for purchasing apartment	1,528,372,987

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**30. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>VND</i> <i>31 March 2017</i>
<b><i>Trade receivables</i></b>			
Ms Ngo Thi Ngoc Lieu	Related party	Sales of Apartment	110,005,097
Ms Nguyen Thi Bich Ngoc	Related party	Sales of Apartment	231,750,000
			<u><b>341,755,097</b></u>

Remunerations for members of the Board of Directors ("BOD") and the Management are as follows:

	<i>VND</i> <i>For the three-month period ended 31 March 2017</i>	<i>VND</i> <i>For the three-month period ended 31 March 2016</i>
Remunerations for members of the BOD	1,647,500,000	1,467,916,667
Remunerations for members of the Management	<u>1,860,110,840</u>	<u>1,863,449,596</u>
<b>TOTAL</b>	<u><b>3,507,610,840</b></u>	<u><b>3,331,366,263</b></u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**31. EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the basic earnings per share computations:

	<i>For the three-month period ended 31 March 2017</i>	<i>For the three-month period ended 31 March 2016 (Restated)</i>
Net profit after tax (VND)	21,104,028,694	41,572,564,355
Less: Bonus and welfare fund (VND) (i)	(1,477,282,009)	(2,743,789,247)
Net interest after tax on convertible bonds charged to the interim consolidated income statement (VND)	<u>4,151,133,000</u>	<u>-</u>
<b>Net profit attributable to ordinary shareholders (VND)</b>	<b>23,777,879,685</b>	<b>38,828,775,108</b>
Weighted average number of ordinary shares during the year	135,612,345	135,612,345
Adjusted weighted average number of potential shares from convertible bonds (ii)	<u>21,276,596</u>	<u>-</u>
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<b>156,888,941</b>	<b>135,612,345</b>
<b>Earnings per share (VND)</b>		
<i>Basic earnings per share</i>	<i>145</i>	<i>286</i>
<i>Diluted earnings per share</i>	<i>145</i>	<i>286</i>

(i) Net profit used to compute earnings per share for the three-month period ended 31 March 2016 was restated following the actual distribution to Bonus and welfare funds from undistributed earnings in the period as approved in the Annual General Meeting 2016's Resolution ("AGM Resolution 2016").

Net profit used to compute earnings per share for the three-month period ended 31 March 2017 is adjusted for distribution to Bonus and welfare funds, which is appropriated at 7% of net profit after tax in the period as approved in accordance with AGM Resolution 2016.

(ii) As disclosed in Note 22 to the consolidated financial statements, on 8 April 2016, the Company issued VND 500,000,000,000 convertible bonds at par value of VND 1,000,000,000 per unit. These convertible bonds could potentially dilute basic earnings per share in the future as calculated for the three-month period ended 31 March 2017.

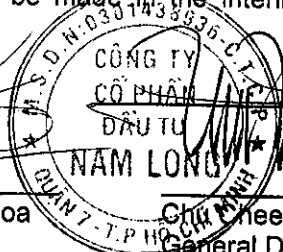


NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at and for the three-month period ended 31 March 2017

**32. EVENTS AFTER THE BALANCE SHEET DATE**

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



Pham Hong Hanh  
Preparer



Luong Thi Kim Thoa  
Chief Accountant

Chu Chee Kwang  
General Director

20 April 2017



# Nam Long Investment Corporation

## EXPLANATION OF THE CONSOLIDATED INCOME STATEMENT IN QUARTER 1 - 2017

To implement disclosure requirement of listed organization in Ho Chi Minh City Stock Exchange, Nam Long Investment Corporation explains revenue and net profit after tax of the Group in Quarter 1.2016 are as follows:

No.	Items	Quarter 1.2017 (VND)	Quarter 1.2016 (VND)	Variance
A	B	(1)	(2)	(3) = [(1) - (2)] / (2)
1	Net revenue	255,850,907,537	374,747,553,946	-32%
2	Net profit after tax	21,104,028,694	41,572,564,355	-49%

Net consolidated revenue in Quarter 1.2017 is 255 billion VND, decreasing 32% equivalents to 119 billion VND in comparison with the same period of 2016 because new projects have been in construction, old projects (Ehome 3, Ehome 4, Ehome 5, Flora Anh Dao) have been nearly completed handover process in 2016. Revenue in this quarter is mainly contributed by handover of Ehome apartment (occupied about 52% in total revenue) from Ehome 3, Ehome 4, Flora Anh Dao with amounting to 120 billion VND, 7 billion VND and 9 billion VND, respectively. Besides, revenue from handover of land lot and townhouse is 104 billion VND, occupied about 41% in total revenue.

Business result of Quarter 1.2017 is reduced gradually when compared with the same quarter of 2016, mainly due to following reasons:

► Net revenue decreases 32%, equivalent to 119 billion VND in comparison with the same period of 2016.

Selling expenses increases slightly due to incurring marketing expenses for new projects.



Trần Kwang  
General Director

20 April 2017