

Nam Long Investment Corporation

Interim separate financial statements

31 March 2017

Nam Long Investment Corporation

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INTERIM SEPARATE BALANCE SHEET
as at 31 March 2017


VND

Code	ASSETS	Notes	31 March 2017	31 December 2016
100	A. CURRENT ASSETS		1,803,939,936,573	1,956,102,996,394
110	I. Cash and cash equivalents	4	195,230,710,888	255,845,852,248
111	1. Cash		107,186,636,836	118,029,587,481
112	2. Cash equivalents		88,044,074,052	137,816,264,767
120	II. Short-term investments		-	25,822,085,285
123	1. Held-to-maturity investments		-	25,822,085,285
130	III. Current accounts receivable		1,227,640,772,767	1,294,884,686,352
131	1. Short-term trade receivables	5	198,021,590,097	335,464,317,008
132	2. Short-term advances to suppliers	6	599,633,473,024	531,634,120,017
135	3. Short-term loan receivables	7	202,741,572,411	210,241,572,411
136	4. Other short-term receivables	8	227,429,898,730	217,730,438,411
137	5. Provision for doubtful debts	5	(185,761,495)	(185,761,495)
140	IV. Inventories	9	375,407,808,532	379,274,858,231
141	1. Inventories		375,407,808,532	379,274,858,231
150	V. Other current assets		5,660,644,386	275,514,278
151	1. Short-term prepaid expenses		1,123,931,753	275,514,278
152	2. Value-added tax deductible		4,536,712,633	-
200	B. NON-CURRENT ASSETS		3,473,007,214,771	3,393,740,537,664
210	I. Long-term receivables		124,852,595,149	158,711,312,338
215	1. Long-term loan receivables	7	33,300,000,000	37,300,000,000
216	2. Other long-term receivables	8	91,552,595,149	121,411,312,338
220	II. Fixed assets		5,495,115,292	5,909,971,853
221	1. Tangible fixed assets		3,920,731,675	4,162,149,713
222	Cost		8,622,832,628	8,622,832,628
223	Accumulated depreciation		(4,702,100,953)	(4,460,682,915)
227	2. Intangible fixed assets		1,574,383,617	1,747,822,140
228	Cost		4,695,194,894	4,695,194,894
229	Accumulated amortisation		(3,120,811,277)	(2,947,372,754)
230	III. Investment properties		-	-
231	1. Cost		816,491,827	816,491,827
232	2. Accumulated depreciation		(816,491,827)	(816,491,827)
250	V. Long-term Investments	10	3,332,269,152,026	3,214,641,902,026
251	1. Investments in subsidiaries	10.1	3,257,902,722,880	3,140,275,472,880
252	2. Investments in jointly controlled entity	10.2	22,400,000,000	22,400,000,000
253	3. Investment in other entities	10.3	51,966,429,146	51,966,429,146
260	VI. Other long-term assets		10,390,352,304	14,477,351,447
261	1. Long-term prepaid expenses	11	3,357,844,545	7,444,843,686
262	2. Deferred tax assets		7,032,507,759	7,032,507,761
270	TOTAL ASSETS		5,276,947,151,344	5,349,843,534,058


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

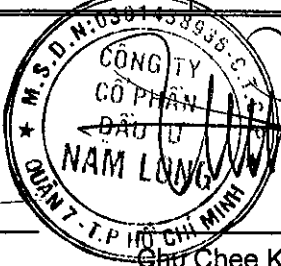
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Code	RESOURCES	Notes	31 March 2017	31 December 2016
300	C. LIABILITIES		2,967,164,167,999	3,059,992,304,512
310	I. Current liabilities		1,638,635,142,457	1,825,394,664,521
311	1. Short-term trade payables	12	91,018,286,958	183,702,913,747
312	2. Short-term advances from customers			
		13	361,209,508,958	371,941,791,040
313	3. Statutory obligations	14	22,883,732,401	69,320,278,767
314	4. Payables to employees		1,104,877,643	13,429,225,659
315	5. Short-term accrued expenses	15	589,789,996,613	563,481,493,526
319	6. Other short-term payables	16	294,797,165,055	327,094,660,211
320	7. Short-term loans	17	276,730,959,592	294,486,468,259
322	8. Bonus and welfare fund		1,100,615,237	1,937,833,312
330	II. Non-current liabilities		1,328,529,025,542	1,234,597,639,991
337	1. Other long-term liabilities	16	2,424,549,515	2,453,549,515
338	2. Long-term loans	17	853,847,339,548	762,261,387,000
339	3. Convertible bond	18	465,457,883,082	463,083,450,079
341	4. Deferred tax liabilities		2,696,372,479	2,696,372,479
342	5. Long-term provisions		4,102,880,918	4,102,880,918
400	D. OWNERS' EQUITY		2,309,782,983,345	2,289,851,229,546
410	I. Capital	19	2,309,782,983,345	2,289,851,229,546
411	1. Share capital		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		492,161,147,061	492,161,147,061
413	3. Convertible bond options		40,503,427,830	40,503,427,830
418	4. Investment and development fund		5,940,860,165	5,940,860,165
421	5. Undistributed earnings		350,032,448,289	330,100,694,490
421a	- Undistributed earnings up to prior year-end		330,100,694,490	186,714,027,547
421b	- Net profit after tax of current year		19,931,753,799	143,386,666,943
440	TOTAL LIABILITIES AND OWNERS' EQUITY		5,276,947,151,344	5,349,843,534,058


Pham Thi Duong Lieu
Preparer


Luong Thi Kim Thoa
Chief Accountant


Chu Chee Kwang
General Director


M.S.D.N: 0301458935-C.T.C.
CÔNG TY
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NAM LONG
QUẬN 7 - T.P. HỒ CHÍ MINH

17 April 2017

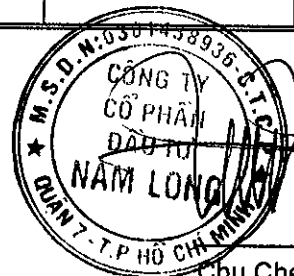
INTERIM SEPARATE INCOME STATEMENT
for the period 3 months ended 31 March 2017

VN/

Code	ITEMS	Notes	Quarter 1		Accumulated	
			Current year	Previous year	Current year	Previous year
10	3. Net revenues from sale of goods and rendering of services	20.1	195,529,443,947	361,245,328,874	195,529,443,947	361,245,328,874
11	4. Costs of goods sold and services rendered	21	(166,300,089,592)	(285,339,116,573)	(166,300,089,592)	(285,339,116,573)
20	5. Gross profit from sale of goods and rendering of services		29,229,354,355	75,906,212,301	29,229,354,355	75,906,212,301
21	6. Finance income	20.2	49,625,485,369	6,015,464,490	49,625,485,369	6,015,464,490
22	7. Finance expenses	22	(23,673,498,554)	(6,580,805,220)	(23,673,498,554)	(6,580,805,220)
23	- In which: Interest expenses		(16,985,414,296)	(3,369,833,698)	(16,985,414,296)	(3,369,833,698)
24	8. Selling expenses		(14,172,479,530)	(26,068,616,828)	(14,172,479,530)	(26,068,616,828)
25	9. General and administration expenses		(21,890,061,723)	(19,626,139,647)	(21,890,061,723)	(19,626,139,647)
30	10. Operating profit		19,118,799,917	29,646,115,096	19,118,799,917	29,646,115,096
31	11. Other income	23	813,687,164	569,863,391	813,687,164	569,863,391
32	12. Other expenses	23	(733,282)	(864,799)	(733,282)	(864,799)
40	13. Other profit	23	812,953,882	568,998,592	812,953,882	568,998,592
50	14. Accounting profit before tax		19,931,753,799	30,215,113,688	19,931,753,799	30,215,113,688
51	15. Current corporate income tax expense	24	-	(6,972,283,902)	-	(6,972,283,902)
60	17. Net profit after tax		19,931,753,799	23,242,829,786	19,931,753,799	23,242,829,786

Pham Thi Duong Lieu
Preparer

Luong Thi Kim Thoa
Chief Accountant



Chu Chee Kwang
General Director

17 April 2017

INTERIM SEPARATE CASH FLOW STATEMENT
for the period 3 months ended 31 March 2017

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		19,931,753,799	30,215,113,688
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		414,856,561	333,690,007
05	Profits from investing activities	20.2	(49,625,485,369)	(5,767,506,598)
06	Interest expense	22	16,985,414,296	3,369,833,698
08	Operating losses before changes in working capital		(12,293,460,713)	28,151,130,795
09	(Decrease) increase in receivables		142,588,345,471	(18,423,591,631)
10	Decrease in inventories		3,867,049,699	147,400,929,505
11	(Increase) decrease in payables		(154,431,224,647)	(73,473,091,706)
12	Decrease (increase) in prepaid expenses		3,238,581,666	(7,308,439,891)
14	Interest paid		(27,909,853,437)	(12,919,689,126)
15	Corporate income tax paid		(33,724,063,843)	(153,218,571)
17	Other cash outflows from operating activities		802,218,075	-
20	Net cash flows (used in) from operating activities		(77,862,407,729)	63,274,029,375
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		-	(67,530,000)
23	Loans to other entities		(16,000,000,000)	-
24	Collections from borrowers		20,000,000,000	1,984,043,120
25	Payments for investments in other entities		(117,627,250,000)	(123,655,064,551)
26	Proceeds from sale of investments in other entities		30,000,000,000	-
27	Interest and dividends received		29,265,205,821	479,503,471
30	Net cash flows used in investing activities		(54,362,044,179)	(121,259,047,960)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		180,000,000,000	115,056,000,000
34	Repayment of borrowings		(108,390,689,452)	(108,114,400,000)
40	Net cash flows from financing activities		71,609,310,548	6,941,600,000

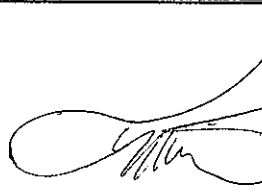
INTERIM SEPARATE CASH FLOW STATEMENT (continued)
for the period 3 months ended 31 March 2017

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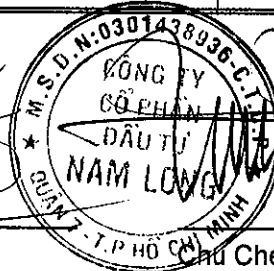
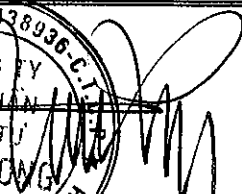
Code	ITEMS	Notes	Current year	Previous year
50	Net decrease in cash and cash equivalents		(60,615,141,360)	(51,043,418,585)
60	Cash and cash equivalents at beginning of year		255,845,852,248	154,620,194,401
70	Cash and cash equivalents at end of year	4	195,230,710,888	103,576,775,816



Pham Thi Duong Lieu
Preparer



Luong Thi Kim Thoa
Chief Accountant

Chau Chee Kwang
General Director

17 April 2017

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months 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 No.4103004194 issued by the Ho Chi Minh City Department of Planning and Investment ("DPI") on 27 December 2005, and the fifteenth amendment 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 twelve direct subsidiaries and two indirect subsidiaries and one jointly-controlled entity with details as follows:

<i>Company</i>	<i>Location</i>	<i>Business</i>
Subsidiary		
Nam Long Property Management and Development One Member Limited Company ("Nam Long PMD")	Ho Chi Minh City ("HCMC")	Construction and real estate
Nam Long Service Joint Stock Company ("Nam Long Service")	HCMC	Service and construction
Nam Long - Hong Phat Joint Stock Company ("Nam Long - Hong Phat")	HCMC	Construction and real estate
Nguyen Son Real Estate Joint Stock Company ("Nguyen Son")	HCMC	Real estate
Nam Long Apartment Development Corporation ("Nam Long ADC")	HCMC	Construction and real estate
Nam Long Real Estate Transaction Floor One Member Limited Liability Company ("Trading Floor")	HCMC	Real estate trading floor
Nam Khang Construction Investment Development One Member Limited Liability Company ("Nam Khang")	HCMC	Construction and real estate
Nam Vien Construction and Design Consulting Joint Stock Company ("Nam Vien")	HCMC	Service
Nam Khang Construction Materials Trading Company Limited ("Nam Khang Materials")	HCMC	Construction material trading
Nam Long VCD Corporation ("Nam Long VCD")	Long An Province	Construction and real estate
Nam Phan Investment Corporation ("Nam Phan")	HCMC	Construction and real estate
Nguyen Phuc Real Estate Investment and Trading Company Limited ("Nguyen Phuc")	HCMC	Real estate
Thao Nguyen Real Estate Investment and Trading Company Limited ("Thao Nguyen")	HCMC	Real estate
NLG – NNR – HR Fuji Company Limited ("NLG – NNR – HR Fuji")	HCMC	Construction and real estate
NNH Kikyo Flora Company Limited ("Kikyo Flora")	HCMC	Real estate
NNH Kikyo Valora Company Limited ("Kikyo Valora")	HCMC	Real estate
Joint venture		
Gamuda - Nam Long Development Limited Liability Company ("Gamuda – Nam Long")	HCMC	Real estate

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

1. CORPORATE INFORMATION (continued)

The current principal activities of the Company are civil and industrial construction; housing trade (construction, renovation of houses for sale or lease); 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, 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 exchange services; real estate consulting services; real estate advertising services; real estate management services.

The Company's head office is located at 11 Floor, Capital Tower, 6 Nguyen Khac Vien, Tan Phu Ward, District 7, Ho Chi Minh City and one branch in Can Tho City, Vietnam.

2. BASIS OF PREPARATION

2.1 Purpose of preparing the separate financial statements

The Company has subsidiaries as disclosed in Note 11.1. 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. In addition, as required by these regulations, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 March 2017.

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

2. BASIS OF PREPARATION (continued)

2.3 Applied accounting documentation system

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

2.4 Fiscal year

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

2.5 Accounting currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three (3) 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 Company 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.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

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

3.3 Receivables

Receivables are presented in the separate financial statements at the carrying amounts due from customers and other debtors, along with the provision for doubtful debts.

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 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 Company is the lessee

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

Where the Company is the lessor

Assets subject to operating leases are included as the Company's investment properties in the separate balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the separate income statement as incurred.

Lease income is recognised in the separate 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 fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Machinery and equipment	5 - 12 years
Buildings and structures	25 years
Motor vehicles	6 - 8 years
Office equipment	4 - 8 years
Computer software	5 years

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Company.

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 - 25 years
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LUR with indefinite useful life is not amortised.

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

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

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 separate balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortised to the separate income statement over 2 to 5 years:

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Investments*

Investments in subsidiaries

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

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

Interests in joint ventures

Investments in joint ventures over which the Company has joint control with the other venture are carried at cost.

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

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for investments

Provision is made for any diminution in value of the investments in capital of other entities at the interim balance sheet date in accordance with the guidance under Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 26 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the separate 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 separate financial statements and deducted against the value of such investments.

3.11 *Payables and accruals*

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

3.12 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for all employees who have been being 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. Any increase to the accrued amount will be taken to the separate 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Foreign currency transactions

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

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

All exchange differences are taken to the separate income statement.

3.14 Appropriation of net profit

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

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

▶ *Investment and development fund*

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

▶ *Bonus and welfare fund*

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

3.15 Revenue recognition

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

Sale of 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 infrastructures are recorded at the total consideration received when residential plots and related infrastructures are transferred to the customers.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Revenue recognition* (continued)

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 Company'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 terms of the lease.

3.16 *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 interim 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 income tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.

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

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Taxation (continued)

Deferred income tax (continued)

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

Deferred tax is charged or credited to the 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 off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Company intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

3.17 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 years.

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

3.18 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influences over the Company, key management personnel, including directors and officers of the Company 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

4. CASH AND CASH EQUIVALENTS

	VND	
	31 March 2017	31 December 2016
Cash on hand	1,065,330,608	1,302,019,948
Cash in banks	106,121,306,228	116,727,567,533
Cash equivalents	<u>88,044,074,052</u>	<u>137,816,264,767</u>
TOTAL	<u>195,230,710,888</u>	<u>255,845,852,248</u>

Cash equivalents comprised bank deposits with maturity of less than three months and earn interest at the rate of from 4.5% to 5% per annum.

5. SHORT TERM TRADE RECEIVABLES

	VND	
	31 March 2017	31 December 2016
Trade receivables from other customers	179,649,693,329	256,789,333,126
Trade receivables from related parties (Note 25)	<u>18,371,896,768</u>	<u>78,674,983,882</u>
TOTAL	<u>198,021,590,097</u>	<u>335,464,317,008</u>
Provision for short-term doubtful debts	<u>(185,761,495)</u>	<u>(185,761,495)</u>
NET	<u>197,835,828,602</u>	<u>335,278,555,513</u>

6. SHORT TERM ADVANCES TO SUPPLIERS

	VND	
	31 March 2017	31 December 2016
Advances to buy land and real estate projects	506,490,062,179	477,481,353,363
- Hoang Nam Company Limited	501,000,000,000	471,000,000,000
- Others	5,490,062,179	6,481,353,363
Advances to subcontractors	79,901,872,477	49,606,220,537
- Dien Quang Nguyen Construction Joint Stock Company	11,636,598,881	9,715,513,304
- Others	68,265,273,596	39,890,707,233
Advances to related parties (Note 25)	<u>13,241,538,368</u>	<u>4,546,546,117</u>
TOTAL	<u>599,633,473,024</u>	<u>531,634,120,017</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

7. LOAN RECEIVABLES

	VND	
	31 March 2017	31 December 2016
Loans to related parties (Note 25)	<u>236,041,572,411</u>	<u>247,541,572,411</u>
<i>In which :</i>		
Short-term loan	202,741,572,411	210,241,572,411
Long-term loan	33,300,000,000	37,300,000,000

Details of the loan receivables are as follows:

<i>Borrower</i>	31 March 2017	Due date	<i>Interest rate</i>
	VND		% p.a
<i>Nam Long VCD Corporation</i>			
Loan Agreement dated 1 January 2016 (Note 25)	201,576,890,411	31 December 2017	10.5
Loan Agreement dated 25 May 2016 (Note 25)	33,300,000,000	25 May 2019	10.0
<i>Nam Long – Hong Phat Joint Stock Company</i>			
Loan Agreement dated 8 June 2016 (Note 25)	<u>1,164,682,000</u>	7 June 2018	10.0
	<u>236,041,572,411</u>		

Loan receivables represented the loans to related parties to support their working capital needs.

8. OTHER RECEIVABLES

	VND	
	31 March 2017	31 December 2016
Short-term		
Staff advances for land compensation purpose	77,847,712,000	91,518,062,566
Loan interest receivable	91,764,465,621	85,708,856,176
Receivable from disposal of investment in Business Cooperation Contracts ("BCC")	38,506,814,441	24,210,353,467
Prepayment of corporate income tax based on payment progress of customers	5,424,963,330	5,332,277,840
Staff advances for other purposes	5,322,552,709	3,436,578,197
Others	<u>8,563,390,629</u>	<u>7,524,310,165</u>
	<u>227,429,898,730</u>	<u>217,730,438,411</u>
Long-term		
Investments in BCC projects (i)	87,264,530,680	117,264,530,680
Deposit, mortgages or collaterals	2,307,770,595	2,169,883,275
Others	<u>1,980,293,874</u>	<u>1,976,898,383</u>
	<u>91,552,595,149</u>	<u>121,411,312,338</u>
TOTAL	<u>318,982,493,879</u>	<u>339,141,750,749</u>
<i>In which:</i>		
Other receivables	202,904,549,291	229,119,415,606
Other receivables from related parties (Note 25)	116,077,944,588	110,022,335,143

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

8. OTHER RECEIVABLES (continued)

- (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 Nam Sai Gon Urban Area. The Company has 60% interest in this BCC.

9. INVENTORIES

	VND	
	31 March 2017	31 December 2016
Inventory properties under development	369,722,576,735	373,760,916,284
Work in progress	<u>5,685,231,797</u>	<u>5,513,941,947</u>
TOTAL	<u>375,407,808,532</u>	<u>379,274,858,231</u>
<i>Inventory properties under development:</i>		
Long An projects (i)	77,040,646,832	72,812,161,417
Phuoc Long B Project - extension	72,421,082,074	72,484,697,580
Tan Thuan Dong Project	58,273,573,012	62,498,691,311
Can Tho Project (i)	54,644,410,658	53,785,486,674
Hoang Nam Residence Project	45,893,638,427	35,642,626,256
E.Home West Saigon Project ("Ehome 3 Project") (i)	-	22,776,201,587
Phu Huu project	17,882,520,119	13,430,592,654
Go O Moi Project	12,874,704,656	12,561,986,261
Other projects	<u>30,692,000,957</u>	<u>27,768,472,544</u>
TOTAL	<u>369,722,576,735</u>	<u>373,760,916,284</u>

- (i) The following land use rights have been mortgaged to secure the Company's outstanding borrowings (Note 17):
- Land use right in Hung Thanh Ward, Cai Rang District, Can Tho City;
 - Land use right in An Thanh Ward, Ben Luc District, Long An Province; and
 - Land use right in An Lac Ward, Binh Tan District, Ho Chi Minh City.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

10. LONG-TERM INVESTMENTS

	<i>VND</i>	
	<i>31 March 2017</i>	<i>31 December 2016</i>
Investments in subsidiaries (Note 10.1)	3,257,902,722,880	3,140,275,472,880
Investments in jointly controlled entities (Note 10.2)	22,400,000,000	22,400,000,000
Other long-term investments (Note 10.3)	<u>51,966,429,146</u>	<u>51,966,429,146</u>
TOTAL	<u>3,332,269,152,026</u>	<u>3,214,641,902,026</u>

10.1 Investments in subsidiaries

Investments in subsidiaries as at the balance sheet date comprise the following:

<i>Subsidiary</i>	<i>31 March 2017</i>		<i>31 December 2016</i>	
	<i>Interest</i>	<i>Cost of investment</i>	<i>Interest</i>	<i>Cost of investment</i>
	<i>%</i>	<i>VND</i>	<i>%</i>	<i>VND</i>
Nam Long VCD	90.40	970,322,200,000	90.40	970,322,200,000
Nguyen Son	87.30	687,034,822,800	87.30	687,034,822,800
NLG – NNR – HR Fuji	50.00	355,214,839,707	50.00	355,214,839,707
Nam Phan	99.96	321,686,896,717	99.96	321,686,896,717
Nam Long ADC	97.14	286,698,033,000	97.14	286,698,033,000
Nam Khang	100	201,981,690,000	100	201,981,690,000
Kikyo Valora	50.00	215,927,250,000	50.00	99,000,000,000
Nam Long PMD	100	77,872,707,656	100	77,872,707,656
Nam Long - Hong Phat	75.25	47,782,500,000	75.25	47,782,500,000
Nguyen Phuc	50.00	32,043,166,500	50.00	32,043,166,500
Thao Nguyen	50.00	28,483,116,500	50.00	28,483,116,500
Kikyo Flora	50.00	25,410,500,000	50.00	25,410,500,000
Trading Floor	100	6,000,000,000	100	6,000,000,000
Nam Long Service	95.21	1,445,000,000	71.29	745,000,000
TOTAL		<u>3,257,902,722,880</u>		<u>3,140,275,472,880</u>

10.2 Investments in jointly controlled entities

<i>Jointly controlled entity</i>	<i>Business</i>	<i>31 March 2017</i>		<i>31 December 2016</i>	
		<i>Interest</i>	<i>Cost of investment</i>	<i>Interest</i>	<i>Cost of investment</i>
		<i>%</i>	<i>VND</i>	<i>%</i>	<i>VND</i>
Gamuda - Nam Long Development Limited Liability Company	Real Estate	30	<u>22,400,000,000</u>	30	<u>22,400,000,000</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

10. LONG-TERM INVESTMENTS (continued)

10.3 Other long-term investments

	VND	
	31 March 2017	31 December 2016
Can Tho – Hong Phat Project (i)	49,966,429,146	49,966,429,146
Bac Trung Nam Housing Development Joint Stock Company	<u>2,000,000,000</u>	<u>2,000,000,000</u>
TOTAL	<u>51,966,429,146</u>	<u>51,966,429,146</u>

(i) This investment are to finance the working capital to Nam Long - Hong Phat Joint Stock Company ("NLHP") for project developments in these entities.

11. LONG-TERM PREPAID EXPENSES

	VND	
	31 March 2017	31 December 2016
Commission fee	1,333,324,908	5,414,690,046
Tools and supplies	<u>2,024,519,637</u>	<u>2,030,153,640</u>
TOTAL	<u>3,357,844,545</u>	<u>7,444,843,686</u>

12. SHORT-TERM TRADE PAYABLES

	VND	
	31 March 2017	31 December 2016
Trade payables to related parties (Note 25)	82,629,264,115	161,639,968,148
Trade payables to other suppliers	<u>8,389,022,843</u>	<u>22,062,945,599</u>
TOTAL	<u>91,018,286,958</u>	<u>183,702,913,747</u>

13. SHORT-TERM ADVANCES FROM CUSTOMERS

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

14. STATUTORY OBLIGATIONS

	VND	
	31 March 2017	31 December 2016
Corporate income tax	19,222,662,802	54,221,741,237
Personal income tax	2,531,144,518	2,861,293,811
Value-added tax	1,127,435,638	12,234,754,276
Other tax	2,489,443	2,489,443
TOTAL	<u>22,883,732,401</u>	<u>69,320,278,767</u>

15. SHORT TERM ACCRUED EXPENSES

	VND	
	31 March 2017	31 December 2016
Cost-to-complete of projects that revenues have been recognised	516,246,202,131	479,602,212,283
Interest expense payables	31,774,284,744	40,869,556,031
Warranty expenses for projects	19,048,137,637	19,242,885,409
Other operating costs	22,721,372,101	23,766,839,803
TOTAL	<u>589,789,996,613</u>	<u>563,481,493,526</u>

16. OTHER PAYABLES

	VND	
	31 March 2017	31 December 2016
Short-term		
Profit shared to BCC partners		
– Ehome 3 project	112,542,714,427	112,542,714,427
– Ehome 4 project	26,045,130,000	26,045,130,000
Investment contributions received for BCCs	75,379,018,432	104,968,306,716
Maintenance and warranty expenses	54,247,880,603	51,681,142,811
Borrowings from individuals	17,160,000,000	17,160,000,000
Other payables	9,422,421,593	14,697,366,257
	<u>294,797,165,055</u>	<u>327,094,660,211</u>
Long-term		
Deposits for rental office	2,424,549,515	2,453,549,515
TOTAL	<u>297,221,714,570</u>	<u>329,548,209,726</u>
<i>In which:</i>		
Other payables to other parties	90,660,459,959	91,268,750,247
Other payables to related parties (Note 25)	206,561,254,611	238,279,459,479

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

17. LOANS

	VND	
	31 March 2017	31 December 2016
Short-term		
Short-term loans from related parties (Notes 17.1 and 25)	68,000,000,000	28,000,000,000
Short-term loans from individuals (Note 17.1)	46,051,901,000	56,052,601,000
Short-term loan from a bank (Note 17.1)	13,000,000,000	13,000,000,000
Current portion of long-term loans (Note 17.2)	110,842,716,000	97,743,358,000
Current portion of bonds	38,836,342,592	99,690,509,259
	<u>276,730,959,592</u>	<u>294,486,468,259</u>
Long-term		
Loans from banks (Note 17.2)	405,843,745,000	402,004,745,000
Current portion	110,842,716,000	97,743,358,000
Non-current portion	295,001,029,000	304,261,387,000
Bonds (Note 17.3)	38,836,342,592	99,690,509,259
Current portion	38,836,342,592	99,690,509,259
Loans from related parties (Notes 17.2 and 25)	558,846,310,548	458,000,000,000
	<u>853,847,339,548</u>	<u>762,261,387,000</u>
TOTAL	<u>1,130,578,299,140</u>	<u>1,056,747,855,259</u>

17.1 Short-term loans

Details of the short-term loans are as follows:

	31 March 2017 VND	Due date	Purpose	Interest rate (% p.a.)	Description of collateral
Short-term loans from individuals					
Short-term loans from individuals	46,051,901,000	9 December 2017	Support working capital needs	9.5 - 10.5	Unsecured
Short-term loans from related parties					
Nam Long ADC	28,000,000,000	26 March 2017	Support working capital needs	8.0	Unsecured
Nam Long Hong Phat	40,000,000,000	24 June 2017	Support working capital needs	7.0	Unsecured
Short-term loans from a bank					
Ho Chi Minh City Housing Development Bank	13,000,000,000	18 November 2017	Support working capital needs	9.5	LUR for 2,574 square meters and associated assets in Can Tho City; and LUR for 2,818 square meters and 4,900 square meters

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

17. **LOANS** (continued)

17.2 **Long-term loans**

Details of the long-term loan are as follows:

<i>Lender</i>	<i>31 March 2017</i>	<i>Due date</i>	<i>Purpose</i>	<i>Interest rate</i>	<i>Description of collaterals</i>
	<i>VND</i>			<i>(%/p.a.)</i>	<i>(Note 10)</i>
Long-term loans from related parties					
Nguyen Son	267,346,310,548	27 December 2018	Support working capital needs	7.0	Unsecured
Nam Phan	<u>291,500,000,000</u>	24 May 2018	Support working capital needs	7.0	Unsecured
TOTAL	<u>558,846,310,548</u>				
Long-term loans from banks					
Orient Commercial Joint Stock Bank - Loan 1	105,843,745,000	From 26 September 2016 to 6 May 2018	Finance Ehome projects	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 Hoang Nam project	9.9	Guaranteed by Hoang Nam Construction Trading Limited
TOTAL	<u>405,843,745,000</u>				
<i>In which :</i>					
<i>Current portion</i>	110,842,716,000				
<i>Long-term loan</i>	295,001,029,000				

17.3 **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 (Note 9)

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

17. LOANS (continued)

17.4 Movements of loans and bond during the period

	Loans	Bonds	VND Total
Beginning balance	957,057,346,000	99,690,509,259	1,056,747,855,259
Drawdown from borrowings	182,075,300,000	-	182,075,300,000
Repayment from borrowings	(47,390,689,452)	(61,000,000,000)	(108,390,689,452)
Cost of issuing bonds	-	145,833,333	145,833,333
Ending balance	<u>1,091,741,956,548</u>	<u>38,836,342,592</u>	<u>1,130,578,299,140</u>

18. 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 (Note 19.1)	<u>(40,503,427,830)</u>
Liability component at initial recognition	459,496,572,170
Liability component at 31 December 2016	463,083,450,079
Add: Amortisation in period	<u>2,374,433,003</u>
Liability component at 31 March 2017	<u>465,457,883,082</u>

Nam Long Investment Corporation

B09-DN

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

19. OWNERS' EQUITY

	Share capital	Share premium	Investment and development fund	Equity component of convertible bond	Undistributed earnings	VND Total
For the period 3 months ended 31 March 2016						
31 December 2015	1,415,721,570,000	492,337,147,061	5,940,860,165	-	266,837,657,808	2,180,837,235,034
Net profit for the period	-	-	-	-	23,242,829,786	23,242,829,786
31 March 2016	<u>1,415,721,570,000</u>	<u>492,337,147,061</u>	<u>5,940,860,165</u>	<u>-</u>	<u>290,080,487,594</u>	<u>2,204,080,064,820</u>
For the period 3 months ended 31 March 2017						
31 December 2016	1,421,145,100,000	492,161,147,061	5,940,860,165	40,503,427,830	330,100,694,490	2,289,851,229,546
Net profit for the period	-	-	-	-	19,931,753,799	19,931,753,799
31 March 2017	<u>1,421,145,100,000</u>	<u>492,161,147,061</u>	<u>5,940,860,165</u>	<u>40,503,427,830</u>	<u>350,032,448,289</u>	<u>2,309,782,983,345</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

20. REVENUES

20.1 Net revenues from sale of goods and rendering of services

	VND	
	<i>For the period 3 months ended 31 March 2017</i>	<i>For the period 3 months ended 31 March 2016</i>
Net revenues		
<i>In which:</i>		
<i>Sale of land, apartments, town houses and villas</i>	147,576,823,058	360,597,659,145
<i>Revenue from Engineering Procurement Contracts ("EPC")</i>	47,466,875,000	-
<i>Rendering of services</i>	485,745,889	374,942,456
<i>Rental income from investment properties</i>	-	272,727,273
TOTAL	<u>195,529,443,947</u>	<u>361,245,328,874</u>

20.2 Finance income

	VND	
	<i>For the period 3 months ended 31 March 2017</i>	<i>For the period 3 months ended 31 March 2016</i>
Dividends income	42,396,460,974	100,000,000
Interest income from loan to a related party	6,055,609,445	5,262,478,655
Interest income from bank deposits	1,173,414,950	405,027,943
Gains from disposals of investment	-	247,957,892
TOTAL	<u>49,625,485,369</u>	<u>6,015,464,490</u>

21. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	<i>For the period 3 months ended 31 March 2017</i>	<i>For the period 3 months ended 31 March 2016</i>
Cost of land, apartments, town houses and villas	119,985,310,457	285,247,026,433
Cost of Engineering Procurement Contracts ("EPC") services	46,154,843,681	-
Cost of rendering of services	159,935,454	46,000,000
Operating costs of investment property	-	46,090,140
TOTAL	<u>166,300,089,592</u>	<u>285,339,116,573</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

22. FINANCE EXPENSES

	VND	
	<i>For the period 3 months ended 31 March 2017</i>	<i>For the period 3 months ended 31 March 2016</i>
Interest expense on bonds issued and bank loans	16,985,414,296	3,369,833,698
Share profit to BCC partners	6,520,005,132	3,210,971,522
Other finance expenses	168,079,126	-
TOTAL	<u>23,673,498,554</u>	<u>6,580,805,220</u>

23. OTHER INCOME AND EXPENSES

	VND	
	<i>For the period 3 months ended 31 March 2017</i>	<i>For the period 3 months ended 31 March 2016</i>
Other income	813,687,164	569,863,391
Penalties received from contract violation	601,323,453	505,530,104
Land rental income	126,525,499	12,236,364
Others	85,838,212	52,096,923
Other expenses	(733,282)	(864,799)
Others	(733,282)	(864,799)
NET	<u>812,953,882</u>	<u>568,998,592</u>

24. CORPORATE INCOME TAX

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

The tax returns filed by the Company 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 separate financial statements could change at a later date upon final determination by the tax authorities.

	VND	
	<i>For the period 3 months ended 31 March 2017</i>	<i>For the period 3 months ended 31 March 2016</i>
Current CIT expense	-	6,972,283,902
TOTAL	<u>-</u>	<u>6,972,283,902</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

25. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Current year</i>	<i>VND Previous year</i>
Nam Long PMD	Subsidiary	Office rental service fee and meal voucher	1,745,538,863	1,645,936,263
Nam Long Service	Subsidiary	Management services fee	4,979,348,857	281,798,321
		Capital contribution	700,000,000	-
Nam Long ADC	Subsidiary	Profit shared to of a Ehome	6,520,005,132	3,210,971,522
		Management services fee	2,466,136,900	27,372,625,204
		Loan interests	521,644,000	1,076,237,092
Nam Khang	Subsidiary	Construction services expenses	34,758,019,540	41,476,530,000
		Purchasing of ownership in other entities	2,488,210,000	-
Trading Floor	Subsidiary	Commission expenses	734,830,821	15,873,738,491
		Management consultant service fee	575,375,504	-
Nguyen Phuc	Subsidiary	Receipt Dividend	28,000,000,000	-
Nam Vien	Indirect subsidiary	Construction service expenses	386,636,364	573,193,636
Nam Long VCD	Subsidiary	Interest income	5,976,442,778	5,262,478,655
		Loan to	16,000,000,000	-
		Rent office	404,100,000	20,454,545
Nguyen Son	Subsidiary	Interest expenses	4,721,904,029	-
		Loan drawdown	2,653,689,452	-
Nam Phan	Subsidiary	Loan	115,000,000,000	-
		Loan interest	4,013,916,666	146,666,667
Nam Long Hong Phat	Subsidiary	Loan to	40,000,000,000	-
		Loan collection	20,000,000,000	-
		Interest expenses	217,777,778	-
		Interest income	79,166,667	-
NLG – NNR – HR Fuji	Subsidiary	Revenue from EPC services	47,466,875,000	-
Kikyo Valora	Subsidiary	Capital contribution	116,927,250,000	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

25. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Relationship	Transaction	VND	
			31 March 2017	31 December 2016
Trade receivables (Note 5)				
NLG – NNR – HR Fujii	Subsidiary	EPC services fee	-	52,213,562,500
Nam Long VCD	Subsidiary	Management consultant service fee	9,599,599,723	9,599,599,723
Nam Khang	Subsidiary	Management consultant service fee	6,215,923,491	6,215,923,491
Nguyen Phuc	Subsidiary	Receipt of interest on late payment	-	4,926,000,000
		EPC services fee	-	2,881,109,110
Trading floor	Subsidiary	Management consultant service fee	727,425,336	1,009,840,840
Nam Long Service	Subsidiary	Management consultant service fee	733,212,590	733,212,590
		Office rental service fee	618,529,275	618,529,275
Ms Ngo Thi Ngoc Lieu	Related party	Sale of apartment	110,005,097	110,005,097
Ms Nguyen Thi Bich Ngoc	Related party	Sale of apartment	231,750,000	231,750,000
Nam Long Hong Phat	Subsidiary	Management consultant service fee	135,451,256	135,451,256
			18,371,896,768	78,674,983,882
Advance to suppliers (Note 6)				
Trading Floor	Subsidiary	Management service	13,054,197,368	4,362,622,817
Nam Long PMD	Subsidiary	Management service	187,341,000	183,923,300
			13,241,538,368	4,546,546,117
Loan receivables (Note 7)				
Nam Long VCD	Subsidiary	Loan	234,876,890,411	218,876,890,411
Nam Long Hong Phat	Subsidiary	Loan	1,164,682,000	28,664,682,000
			236,041,572,411	247,541,572,411

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

25. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties were as follows: (continued)

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			31 March 2017	31 December 2016
<i>Other receivables (Note 8)</i>				
Nam Long VCD	Subsidiary	Loan interest	90,521,410,065	84,544,967,287
		Disposal of tools	2,197,028,413	2,197,028,413
Nam Phan	Subsidiary	BCC capital withdrawal receivable	18,000,000,000	18,000,000,000
Nguyen Son	Subsidiary	Advance for land purchasing	2,079,195,184	2,079,195,184
Nam Long PMD	Subsidiary	Deposit for rental	1,431,051,275	1,431,051,275
Nam Long Hong Phat	Subsidiary	Loan interest	1,243,055,556	1,163,888,889
Nam Long Service	Subsidiary	Dividend receivable	327,800,000	327,800,000
		Disposal of fixed assets	165,000,000	165,000,000
NLG – NNR – HR Fuji	Subsidiary	Payment on behalf	113,404,095	113,404,095
			116,077,944,588	110,022,335,143
<i>Trade payables (Note 12)</i>				
Nam Khang	Subsidiary	Construction service expenses	61,035,222,000	140,995,936,077
Nam Long ADC	Subsidiary	Management service expenses	19,444,323,789	17,305,773,199
Nam Long Service	Subsidiary	Management service expenses	1,909,790,326	2,989,058,872
Nam Long VCD	Subsidiary	Office rental	-	206,910,000
Nam Vien	Indirect subsidiary	Construction service fee	239,928,000	142,290,000
			82,629,264,115	161,639,968,148

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the period 3 months ended 31 March 2017

25. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties were as follows: (continued)

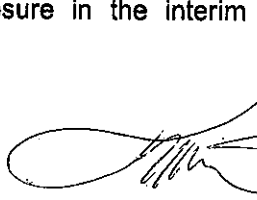
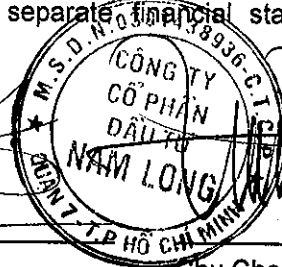

Related party	Relationship	Transaction	VND	
			31 March 2017	31 December 2016
Other payables (Note 16)				
Nam Long ADC	Subsidiary	Investment contribution received for BCC - Ehome Project	52,163,731,266	81,393,726,134
		Profit share for Ehome Project	138,587,844,427	138,587,844,427
Nam Khang	Subsidiary	Investment contribution received for BCC - Long An Project	15,671,000,000	15,671,000,000
		Purchasing of ownership	-	2,488,210,000
Nam Phan	Subsidiary	Investment contribution received for BCC	138,678,918	138,678,918
			<u>206,561,254,611</u>	<u>238,279,459,479</u>
Loans (Note 17)				
Nguyen Son	Subsidiary	Loan	267,346,310,548	270,000,000,000
Nam Phan	Subsidiary	Loan	291,500,000,000	188,000,000,000
Nam Long ADC	Subsidiary	Loan	28,000,000,000	28,000,000,000
Nam Long Hong Phat	Subsidiary	Loan	40,000,000,000	-
			<u>626,846,310,548</u>	<u>486,000,000,000</u>

26. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the interim separate financial statements of the Company.



Pham Thi Duong Lieu
Preparer

Luong Thi Kim Thoa
Chief Accountant

Chu Chee Kwang
General Director

17 April 2017

Nam Long Investment Corporation

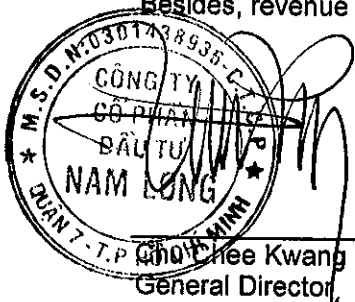
EXPLANATION OF THE SEPARATE INCOME STATEMENT IN QUARTER 1 - 2017

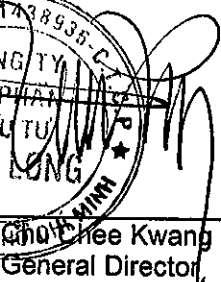
To implement disclosure requirement of listed organization in Ho Chi Minh City Stock Exchange, Nam Long Investment Corporation explains revenue and net profit after tax of the Company in Quarter 1.2017 are as follows:

No.	Items	Quarter 1.2017 (VND)	Quarter 1.2016 (VND)	Variance
A	B	(1)	(2)	(3) = [(1) - (2)] / (2)
1	Net revenue	195,529,443,947	361,245,328,874	-46%
2	Net profit after tax	19,931,753,799	23,242,829,786	-14%

Net profit of Quarter 1.2017 is reduced gradually when compared with the same quarter of 2016 mainly due to Net revenue decreases.

Net revenue in Quarter 1.2017 is 196 billion VND, decreasing 46% equivalents to 165 billion VND in comparison with the same period of 2016 because new projects have been in construction, old projects have been nearly completed handover process in 2016. Revenue in this quarter is mainly contributed by handover of Ehome apartment (occupied about 67% in total revenue) from Ehome 3, Ehome 4, with amounting to 120 billion VND, 10 billion VND respectively in Quarter 1.2017. Besides, revenue from EPC services fee is 47 billion VND, occupied about 24% in total revenue.




 Cho Chee Kwang
 General Director

17 April 2017