

Nam Long Investment Corporation

Separate financial statements

31 December 2016

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INTERIM SEPARATE BALANCE SHEET
as at 31 December 2016


VND


Code	ASSETS	Notes	31 December 2016	31 December 2015
100	A. CURRENT ASSETS		1,956,102,996,386	2,003,442,018,660
110	I. Cash and cash equivalents	4	255,845,852,248	154,620,194,401
111	1. Cash		118,029,587,481	109,220,194,401
112	2. Cash equivalents		137,816,264,767	45,400,000,000
120	II. Short-term investments		25,822,085,285	-
123	1. Held- to-maturity investments		25,822,085,285	-
130	III. Current accounts receivable		1,294,884,686,345	830,598,610,819
131	1. Short-term trade receivables	5	335,464,317,008	179,522,568,865
132	2. Short-term advances to suppliers	6	531,634,120,017	265,637,233,844
135	3. Short-term loan receivables	7	210,241,572,411	208,471,572,411
136	4. Other short-term receivables	8	217,730,438,404	177,295,116,794
137	5. Provision for doubtful debts	5	(185,761,495)	(327,881,095)
140	IV. Inventories	9	379,274,858,230	995,150,436,018
141	1. Inventories		379,274,858,230	995,150,436,018
150	V. Other current assets		275,514,278	23,072,777,422
151	1. Short-term prepaid expenses		275,514,278	-
152	2. Value-added tax deductible		-	23,072,777,422
200	B. NON-CURRENT ASSETS		3,393,740,537,662	2,690,176,647,115
210	I. Long-term receivables		158,711,312,338	82,677,560,732
215	1. Long-term loan receivables	7	37,300,000,000	-
216	2. Other long-term receivables	8	121,411,312,338	82,677,560,732
220	II. Fixed assets		5,909,971,853	4,176,125,725
221	1. Tangible fixed assets		4,162,149,713	2,871,385,023
222	Cost		8,622,832,628	6,826,192,877
223	Accumulated depreciation		(4,460,682,915)	(3,954,807,854)
227	2. Intangible assets		1,747,822,140	1,304,740,702
228	Cost		4,695,194,894	3,798,932,598
229	Accumulated amortisation		(2,947,372,754)	(2,494,191,896)
230	III. Investment properties		-	3,548,507,235
231	1. Cost		816,491,827	6,024,244,070
232	2. Accumulated depreciation		(816,491,827)	(2,475,736,835)
240	IV. Long-term assets in progress		-	262,801,148
242	1. Construction in progress		-	262,801,148
250	V. Long-term investments	10	3,214,641,902,026	2,568,932,484,575
251	1. Investments in subsidiaries	10.1	3,140,275,472,880	2,330,229,267,848
252	2. Investments in jointly- controlled entities	10.2	22,400,000,000	22,400,000,000
253	3. Investment in other entities	10.3	51,966,429,146	216,303,216,727
260	VI. Other long-term assets		14,477,351,445	30,579,167,700
261	1. Long-term prepaid expenses	11	7,444,843,686	24,024,698,255
262	2. Deferred tax assets		7,032,507,759	6,554,469,445
270	TOTAL ASSETS		5,349,843,534,048	4,693,618,665,775

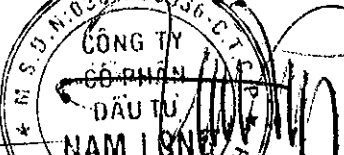
INTERIM SEPARATE BALANCE SHEET (continued)
as at 31 December 2016

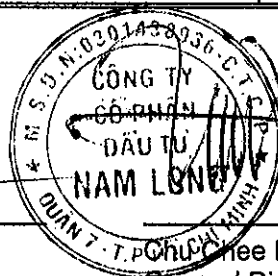
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Code	RESOURCES	Notes	31 December 2016	31 December 2015
300	C. LIABILITIES		3,059,992,304,510	2,512,781,430,741
310	I. Current liabilities		1,825,394,664,519	2,109,416,679,973
311	1. Short-term trade payables	12	183,702,913,748	345,539,161,943
312	2. Short-term advances from customers	13	371,941,791,040	856,246,440,478
313	3. Statutory obligations	14	69,320,278,764	72,046,701,908
314	4. Payables to employees		13,429,225,659	15,118,992,691
315	5. Short-term accrued expenses	15	563,481,493,526	151,453,477,146
319	6. Other short-term payables	16	327,094,660,211	413,882,442,276
320	7. Short-term loans	17	294,486,468,259	256,450,226,604
322	8. Bonus and welfare fund	19	1,937,833,312	(1,320,763,073)
330	II. Non-current liabilities		1,234,597,639,991	403,364,750,768
337	1. Other long-term liabilities	16	6,556,430,433	6,374,152,930
338	2. Long-term loans and debts	17	762,261,387,000	387,948,745,000
339	3. Convertible bond	18	463,083,450,079	-
341	4. Deferred tax liabilities		2,696,372,479	9,041,852,838
400	D. OWNERS' EQUITY		2,289,851,229,538	2,180,837,235,034
410	I. Capital	20.1	2,289,851,229,538	2,180,837,235,034
411	1. Share capital		1,421,145,100,000	1,415,721,570,000
411a	- Shares with voting rights		1,421,145,100,000	1,415,721,570,000
412	2. Share premium		492,161,147,061	492,337,147,061
413	3. Convertible bond option		40,503,427,830	-
418	4. Investment and development fund		5,940,860,165	5,940,860,165
421	5. Undistributed earnings		330,100,694,482	266,837,657,808
421a	- Undistributed earnings up to the end of prior years		186,714,027,546	252,892,523,998
421b	- Undistributed earnings of current year		143,386,666,936	13,945,133,810
440	TOTAL LIABILITIES AND OWNERS' EQUITY		5,349,843,534,048	4,693,618,665,775


Pham Thi Duong Lieu
Preparer


Luong Thi Kim Thoa
Chief Accountant


Chu Van Kwan
General Director

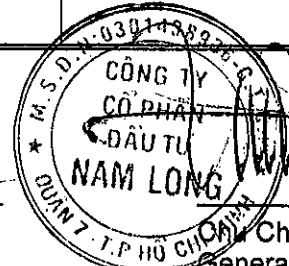


17 January 2017

INTERIM SEPARATE INCOME STATEMENT
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Quarter 4		Accumulated	
			Current year	Previous year	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	21.1	1,158,522,332,127	774,047,218,900	2,469,034,929,251	1,387,177,733,770
02	2. Deductions	21.1	-	(500,178,872)	-	(8,677,878,248)
10	3. Net revenues from sale of goods and rendering of services	21.1	1,158,522,332,127	773,547,040,028	2,469,034,929,251	1,378,499,855,522
11	4. Costs of goods sold and services rendered	22	(908,380,467,767)	(637,532,959,684)	(1,965,582,325,647)	(1,115,060,091,222)
20	5. Gross profit from sale of goods and rendering of services		250,141,864,360	136,014,080,344	503,452,603,604	263,439,764,300
21	6. Finance income	21.2	19,474,323,896	43,476,121,391	99,380,917,809	83,797,613,385
22	7. Finance expenses	23	(46,946,127,922)	(35,779,845,172)	(119,156,532,115)	(72,193,585,614)
23	- In which: Interest expenses		(13,808,924,597)	(9,149,037,766)	(41,352,661,842)	(27,315,605,369)
24	8. Selling expenses		(71,470,918,756)	(75,294,046,267)	(167,634,494,564)	(120,436,750,883)
25	9. General and administration expenses		(35,711,176,960)	(27,215,882,536)	(99,254,117,615)	(84,642,639,352)
30	10. Operating profit		115,487,964,618	41,200,427,760	216,788,377,119	69,964,401,836
31	11. Other income		7,068,718,112	1,063,892,301	10,748,029,531	1,902,335,134
32	12. Other expenses		(23,133,904)	(8,141,965,164)	(27,636,128)	(13,648,411,196)
40	13. Other profit (Loss)		7,045,584,208	(7,078,072,863)	10,720,393,403	(11,746,076,062)
50	14. Accounting profit before tax		122,533,548,826	34,122,354,897	227,508,770,522	58,218,325,774
51	15. Current corporate income tax expense	24	(30,515,631,214)	(12,093,027,930)	(55,559,109,270)	(19,249,883,182)
52	16. Deferred income tax income		2,705,110,809	3,112,732,878	6,823,518,674	1,733,828,889
60	17. Net profit after tax		94,723,028,421	25,142,059,845	178,773,179,926	40,702,271,481



Pham Thi Duong Lieu
Preparer

Luong Thi Kim Thoa
Chief Accountant

Chee Kwang
General Director

17 January 2017

INTERIM SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		192,596,239,369	58,218,325,774
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		1,051,236,199	1,232,665,958
03	Reversal of provision		-	(1,548,034,825)
04	Unrealised foreign exchange losses		-	1,625,497,346
05	Profits from investing activities		(99,360,465,503)	(83,797,613,385)
06	Interest expense	23	41,352,661,842	27,471,160,925
08	Operating profit (losses) before changes in working capital		135,639,671,907	3,202,001,793
09	(Increase) decrease in receivables		(484,582,463,671)	(237,028,315,417)
10	Decrease (increase) in inventories		659,876,529,251	8,445,955,775
11	(Increase) decrease in payables		(281,092,209,124)	394,744,093,885
12	Decrease (Increase) in prepaid expenses		15,101,793,995	(2,230,017,797)
14	Interest paid		(30,919,688,393)	(27,665,016,108)
15	Corporate income tax paid		(30,014,722,015)	(18,889,187,694)
17	Other cash outflows from operating activities		-	(5,058,148,612)
20	Net cash flows (used in) from operating activities		(15,991,088,050)	115,521,365,825
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets		(2,430,100,899)	(1,413,170,148)
22	Proceeds from disposals of fixed assets and other long-term assets		16,625,000,000	-
23	Loans to other entities		(49,800,000,000)	-
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		11,984,043,120	-
25	Payments for investments in other entities		(1,053,473,438,246)	(724,577,691,322)
26	Proceeds from sale of investments in other entities		411,436,171,424	283,262,240,543
27	Interest and dividends received		63,096,348,848	22,263,827,275
30	Net cash flows used in investing activities		(602,561,975,753)	(420,464,793,652)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	Issuance of convertible bond and shares		40,503,427,830	145,573,822,374
33	Drawdown of borrowings		1,086,633,454,000	334,442,745,000
34	Repayment of borrowings		(305,661,080,848)	(283,810,473,500)
36	Dividends paid		(101,697,079,332)	(62,646,396,524)
40	Net cash flows from financing activities		719,778,721,650	133,559,697,350

INTERIM SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2016

VND

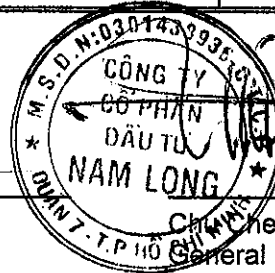
Code	ITEMS	Notes	Current year	Previous year
50	Net increase (decrease) in cash and cash equivalents		101,225,657,847	(171,383,730,477)
60	Cash and cash equivalents at beginning of period		154,620,194,401	326,003,924,878
70	Cash and cash equivalents at end of period	4	255,845,852,248	154,620,194,401



Pham Thi Duong Lieu
Preparer



Luong Thi Kim Thoa
Chief Accountant



Chen Hee Kwang
General Director

17 January 2017

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2016

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, as amended.

The fifteenth amendment dated 5 September 2016 approved the increase in the Company's share capital to VND 1,421,145,100,000.

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 December 2016, the Company has fourteen subsidiaries and one jointly-controlled entity with details as follows:

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

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. The Company also has one branch in Can Tho City, Vietnam.

2. BASIS OF PREPARATION

2.1 Purpose of preparing the interim separate financial statements

The company has subsidiaries as disclosed in Note 12.1. The Company prepared the interim 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 for the year ended 31 December 2016.

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 interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Company and its subsidiaries.

2.2 Accounting Standards and System

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016**2. BASIS OF PREPARATION (continued)****2.2 Accounting Standards and System (continued)**

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

2.3 Applied accounting documentation system

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

2.4 Fiscal year

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

2.5 Accounting currency

The interim 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 and decreases to the provision balance are recorded into the cost of goods sold account in the interim separate income statement.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Receivables

Receivables are presented in the interim 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 interim 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 separate income statement.

3.4 Fixed assets

Tangible and intangible 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 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 interim 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 interim separate balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the interim separate income statement as incurred.

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

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

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
LUR with indefinite useful life	is not amortised.

Investment properties are derecognised in the interim 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 interim separate income statement in the period of retirement or disposal.

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

3.8 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 period 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 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 interim 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 year ended 31 December 2016

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 interim 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 interim 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 28 June 2013 issued by the Ministry of Finance. Increases and decreases to the provision balance are recorded as finance expense in the interim 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 interim 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 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, the Law on Social Insurance 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 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 year ended 31 December 2016

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 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 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 interim 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 interim 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 year ended 31 December 2016

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 lease terms.

3.16 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation 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 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 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Taxation (continued)

Deferred income tax (continued)

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

Deferred 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 interim balance sheet date.

Deferred tax is charged or credited to the interim 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 year ended 31 December 2016

4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	1,302,019,948	1,538,557,218
Cash in banks	116,727,567,533	107,681,637,183
Cash equivalents	137,816,264,767	45,400,000,000
TOTAL	<u>255,845,852,248</u>	<u>154,620,194,401</u>

Cash equivalents comprise 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	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from customers	256,789,333,126	128,619,062,945
Trade receivables from related parties (Note 25)	78,674,983,882	50,903,505,920
TOTAL	<u>335,464,317,008</u>	<u>179,522,568,865</u>
Provision for short-term doubtful debts	(185,761,495)	(327,881,095)
NET	<u>335,278,555,513</u>	<u>179,194,687,770</u>

6. SHORT TERM ADVANCES TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances to buy land and real estate projects	477,481,353,363	206,406,869,085
- Advances for acquisition of Hoang Nam Project	471,000,000,000	206,406,869,085
- Others	6,481,353,363	-
Advances to subcontractors	49,606,220,537	44,853,144,759
- Dien Quang Nguyen Construction Joint Stock Company	9,715,513,304	9,112,823,000
- Pacific Property and Infrastructure Development Joint Stock Company	-	6,500,000,000
- Others	39,890,707,233	29,240,321,759
Advance to related parties (Note 25)	4,546,546,117	14,377,220,000
TOTAL	<u>531,634,120,017</u>	<u>265,637,233,844</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

7. LOAN RECEIVABLES

	<i>Ending balance</i>	<i>Beginning balance</i>
Loans to related parties (<i>Note 25</i>)	<u>247,541,572,411</u>	<u>208,471,572,411</u>

Details of the loan receivables are as follows:

<i>Borrower</i>	<i>Ending balance</i>	<i>Due date</i>	<i>Interest rate</i>
	<i>VND</i>		<i>% p.a</i>
<i>Nam Long VCD Corporation</i>			
Loan Agreement dated 1 January 2016 (<i>Note 25</i>)	201,576,890,411	31 December 2016	10.5
Loan Agreement dated 25 May 2016 (<i>Note 25</i>)	17,300,000,000	25 May 2019	10.0
<i>Nam Long – Hong Phat Joint Stock Company</i>			
Loan Agreement dated 8 June 2016 (<i>Note 25</i>)	<u>28,664,682,000</u>	7 June 2018	10.0
	<u>247,541,572,411</u>		
<i>In which :</i>			
<i>Short-term loan</i>	210,241,572,411		
<i>Long-term loan</i>	37,300,000,000		

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

8. OTHER RECEIVABLES

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>VND</i>	
Short-term		
Loan interest receivable	85,708,856,176	62,536,225,745
Staff advances for land compensation purpose	48,139,850,000	26,437,504,000
Other staff advances	46,814,790,763	-
Receivable from disposal of investment in Business Cooperation Contracts ("BCC")	24,210,353,467	36,422,865,647
Prepayment of corporate income tax based on payment progress of customers	5,332,277,840	10,812,576,880
Others	<u>7,524,310,158</u>	<u>41,085,944,522</u>
	<u>217,730,438,404</u>	<u>177,295,116,794</u>
Long-term		
Deposit, mortgages or collaterals	2,169,883,275	2,059,883,275
Investments in BCC projects (i)	117,264,530,680	78,654,530,680
Others	<u>1,976,898,383</u>	<u>1,963,146,777</u>
	<u>121,411,312,338</u>	<u>82,677,560,732</u>
TOTAL	<u>339,141,750,742</u>	<u>259,972,677,526</u>
<i>In which:</i>		
<i>Other receivables</i>	229,119,415,599	147,734,971,160
<i>Other receivables from related parties (Note 25)</i>	110,022,335,143	112,237,706,366

(i) This amount mainly represents 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.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

9. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Inventory properties under development	373,760,916,284	985,256,582,460
Work in progress	5,513,941,946	9,893,853,558
TOTAL	<u>379,274,858,230</u>	<u>995,150,436,018</u>
<i>Inventory properties under development:</i>		
Long An projects (i)	72,812,161,417	67,446,554,992
Phuoc Long B Project - extension	72,484,697,580	59,708,453,218
Tan Thuan Dong Project	62,498,691,311	255,734,670,972
Can Tho Project (i)	53,785,486,674	56,669,900,885
Hoàng Nam (i)	35,642,626,256	3,166,666,667
E.Home West Saigon Project	22,776,201,587	248,397,561,903
Binh Duong Project	-	263,595,316,180
21th Century Project	17,149,989,506	5,540,253,009
Go O Moi Project	12,561,986,261	10,009,291,004
Phu Huu Project	13,430,592,654	4,353,600,549
Phuoc Long B Do Xuan Hop Project	1,363,054,332	1,176,690,696
Nguyễn Sơn	8,820,304,900	3,425,117,374
Other projects	435,123,806	6,032,505,011
TOTAL	<u>373,760,916,284</u>	<u>985,256,582,460</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 year ended 31 December 2016

10. LONG-TERM INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investments in subsidiaries (Note 10.1)	3,140,275,472,880	2,330,229,267,848
Investments in jointly controlled entity (Note 10.2)	22,400,000,000	22,400,000,000
Other long-term investments (Note 10.3)	51,966,429,146	216,303,216,727
TOTAL	<u>3,214,641,902,026</u>	<u>2,568,932,484,575</u>

10.1 Investments in subsidiaries

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

<i>Subsidiary</i>	<u><i>Ending balance</i></u>		<u><i>Beginning balance</i></u>	
	<i>Interest</i>	<i>Cost of investment</i>	<i>Interest</i>	<i>Cost of investment</i>
	%	VND	%	VND
Nam Long VCD	(i) 97.14	970,322,200,000	89.33	967,378,800,000
Nguyen Son	(i) 87.33	687,034,822,800	83.71	163,898,852,800
NLG – NNR – HR FUJI	50.00	355,214,839,707	95.00	303,116,435,831
Nam Phan	99.96	321,686,896,717	76.01	145,991,896,717
Nam Long ADC	97.14	286,698,033,000	97.14	286,698,033,000
Nam Khang	100.00	201,981,690,000	100.00	201,981,690,000
NN Kikyo Valora	50.00	99,000,000,000	-	-
Nam Long PMD	100.00	77,872,707,656	77.74	52,937,760,000
Nam Long - Hong Phat	(i) 75.25	47,782,500,000	75.25	47,782,500,000
Nguyen Phuc	50.00	32,043,166,500	50.00	56,655,133,000
Thao Nguyen	50.00	28,483,116,500	99.44	97,043,166,500
NN Kikyo Valora	50.00	25,410,500,000	-	-
Trading Floor	100.00	6,000,000,000	100.00	6,000,000,000
Nam Long Service	71.00	745,000,000	71.29	745,000,000
TOTAL		<u>3,140,275,472,880</u>		<u>2,330,229,267,848</u>

(i) These subsidiaries are still under construction phase as at 31 December 2016 and up to the date of these interim separate financial statements.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

10. LONG-TERM INVESTMENTS (continued)

10.2 Investments in jointly-controlled entities

Jointly controlled entity	Business Interest %	Ending balance		Beginning balance	
		Cost of investment VND	Interest %	Cost of investment VND	Interest %
Gamuda - Nam Long Development Limited Liability Company	Real Estate	30	<u>22,400,000,000</u>	30	<u>22,400,000,000</u>

10.3 Other long-term investments

	VND	
	Ending balance	Beginning balance
Can Tho – Hong Phat Project	(i) 49,966,429,146	40,788,429,146
Nguyen Son Project	-	173,514,787,581
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>216,303,216,727</u>

(i) These investments are to finance the working capital to Nam Long - Hong Phat Joint Stock Company ("NLHP") for project developments in these entities. As at 31 December 2016, these projects were in construction stages and selling.

11. LONG TERM PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Commission fee	5,414,690,046	21,498,704,519
Tools and supplies	2,030,153,640	1,358,220,753
Others	-	<u>1,167,772,983</u>
TOTAL	<u>7,444,843,686</u>	<u>24,024,698,255</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

12. SHORT TERM TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to related parties (Note 25)	161,639,968,149	322,293,973,298
Trade payables to other parties	<u>22,062,945,599</u>	<u>23,245,188,645</u>
TOTAL	<u>183,702,913,748</u>	<u>345,539,161,943</u>

13. SHORT TERM ADVANCES FROM CUSTOMERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Advances from customers (*)	<u>371,941,791,040</u>	<u>856,246,440,478</u>
TOTAL	<u>371,941,791,040</u>	<u>856,246,440,478</u>

(*) Advances from customers represent advances from customers for apartments, town houses, villas and land purchases.

14. STATUTORY OBLIGATIONS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Corporate income tax	54,221,741,235	34,099,666,081
Value-added tax	12,234,754,275	35,297,335,240
Personal income tax	2,861,293,811	2,649,700,587
Other tax	<u>2,489,443</u>	-
TOTAL	<u>69,320,278,764</u>	<u>72,046,701,908</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

15. SHORT TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Completion costs for projects that revenues have been recognised	479,602,212,283	107,844,701,797
Interest expense payables	40,869,556,031	20,352,242,404
Warranty expenses for projects	19,242,885,409	19,517,356,135
Other operating costs	<u>23,766,839,803</u>	<u>3,739,176,810</u>
TOTAL	<u>563,481,493,526</u>	<u>151,453,477,146</u>

16. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Investment contributions received for BCCs	104,968,306,716	273,464,094,961
Profit shared to BCC partners	138,587,844,427	76,662,263,579
Maintenance and warranty expenses	51,681,142,811	38,072,369,714
Borrowings from individuals	17,160,000,000	17,160,000,000
Other payables	<u>14,697,366,257</u>	<u>8,523,714,022</u>
	<u>327,094,660,211</u>	<u>413,882,442,276</u>
Long-term		
Deposits for rental office	2,453,549,515	2,363,900,000
Severance allowance	<u>4,102,880,918</u>	<u>4,010,252,930</u>
	<u>6,556,430,433</u>	<u>6,374,152,930</u>
TOTAL	<u>333,651,090,644</u>	<u>420,256,595,206</u>
<i>In which:</i>		
Other payables	95,371,631,165	103,113,435,104
Other payables to related parties (Note 25)	238,279,459,479	317,143,160,102

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

17. LOANS

	VND	
	Ending balance	Beginning balance
Short-term		
Short-term loans from individuals (Note 17.1)	56,052,601,000	57,211,614,000
Short-term loans from related parties (Notes 17.2 and 25)	28,000,000,000	62,166,612,604
Short-term loan from bank (Note 17.3)	13,000,000,000	13,750,000,000
Current portion of long-term loan (Note 17.4)	97,743,358,000	29,322,000,000
Current portion of bonds	99,690,509,259	94,000,000,000
	<u>294,486,468,259</u>	<u>256,450,226,604</u>
Long-term		
Loans from banks (Note 17.4)	402,004,745,000	267,270,745,000
Current portion	97,743,358,000	29,322,000,000
Non-current portion	304,261,387,000	237,948,745,000
Bonds (Note 17.5)	99,690,509,259	244,000,000,000
Current portion	99,690,509,259	94,000,000,000
Non-current portion	-	150,000,000,000
Loans from related parties (Note 25)	458,000,000,000	-
	<u>762,261,387,000</u>	<u>387,948,745,000</u>
TOTAL	<u>1,056,747,855,259</u>	<u>644,398,971,604</u>

17.1 Short-term loans from individuals

	Ending balance	Due date	Purpose	Interest rate	Description of collateral
	VND			(% p.a.)	
Short-term loans from individuals	<u>56,052,601,000</u>	9 December 2017	Support working capital needs	9.5 - 10.5	Unsecured

17.2 Short-term loans from related parties

Details of the short-term loans from related parties are as follows:

Lender	Ending balance	Due date	Purpose	Interest rate	Description of collateral
	VND			(% p.a.)	
Nam Long ADC	<u>28,000,000,000</u>	From 27 March 2015 to 26 March 2017	Support working capital needs	8	Unsecured
TOTAL	<u>28,000,000,000</u>				

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

17. LOANS (continued)

17.3 Short-term loans from bank

Details of the short-term loan from bank are as follows:

<i>Lender</i>	<i>Ending balance</i> <i>VND</i>	<i>Due date</i>	<i>Interest rate</i> <i>(%/p.a.)</i>	<i>Purpose</i>	<i>Description of collaterals</i> <i>(Note 9)</i>
Ho Chi Minh City Housing Development Bank	<u>13,000,000,000</u>	18 November 2017	9.5	Support working capital needs	LUR for 2,600 square meters and future associated assets of Can Tho 23ha, Project. LUR for 2,800 square meters and 4,900 square meters and future associated assets of Long An 36ha, Project

17.4 Long-term loans from banks

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

<i>Lender</i>	<i>Ending balance</i> <i>VND</i>	<i>Due date</i>	<i>Interest rate</i> <i>(%/p.a.)</i>	<i>Purpose</i>	<i>Description of collaterals</i> <i>(Note 9)</i>
Orient Commercial Joint Stock Bank - Loan 1	127,004,745,000	From 26 September 2016 to 6 May 2018	9.7	Finance Ehome projects	LUR for 1,064,307 square meters and of Long An VCD
Orient Commercial Joint Stock Bank - Loan 2	275,000,000,000	From 12 October 2017 to 12 October 2022	9.9	Purchase project Hoang Nam	Guaranteed by Hoang Nam Construction Trading Limited
	<u>402,004,745,000</u>				
<i>In which :</i>					
<i>Current portion</i>	97,743,358,000				
<i>Long-term loan</i>	304,261,387,000				

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

17. LOANS (continued)

17.5 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).

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/DHĐCĐ/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. Interest 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. Otherwise, interest is charged from the purchase date at 7% per annum.

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

	VND
	<i>Ending balance</i>
Value of convertible bond	500,000,000,000
Equity component (Note 20)	<u>(40,503,427,830)</u>
Liability component at initial recognition	<u>459,496,572,170</u>
Add: Amortisation in period	<u>3,586,877,909</u>
Liability component at end of period	<u>463,083,450,079</u>

19. BONUS AND WELFARE FUND

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Beginning balance	(1,320,763,073)	(1,037,915,517)
Increase	13,160,000,000	5,830,189,059
Decrease	<u>(9,901,403,615)</u>	<u>(6,113,036,615)</u>
Ending balance	<u>1,937,833,312</u>	<u>(1,320,763,073)</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

20. OWNERS' EQUITY

20.1 Increases and decreases in owners' equity

	Share capital	Share premium	Investment and development fund	Equity component of convertible bond	Undistributed earnings	VND Total
Previous year						
Beginning balance	1,339,692,790,000	422,792,104,687	5,940,860,165	-	295,028,387,666	2,063,454,142,518
Issuance of new shares	76,028,780,000	69,545,042,374	-	-	-	145,573,822,374
Net profit for the period	-	-	-	-	40,702,271,483	40,702,271,483
Dividends declared	-	-	-	-	(63,062,812,282)	(63,062,812,282)
Appropriation to bonus and welfare fund	-	-	-	-	(5,830,189,059)	(5,830,189,059)
Ending balance	<u>1,415,721,570,000</u>	<u>492,337,147,061</u>	<u>5,940,860,165</u>	<u>-</u>	<u>266,837,657,808</u>	<u>2,180,837,235,034</u>
Current year						
Beginning balance	1,415,721,570,000	492,337,147,061	5,940,860,165	-	266,837,657,808	2,180,837,235,034
Increase in share capital (*)	5,423,530,000	(176,000,000)	-	-	-	5,247,530,000
Issuance of convertible bond (Note 18)	-	-	-	40,503,427,830	-	40,503,427,830
Net profit for the period	-	-	-	-	178,773,179,925	178,773,179,925
Dividends declared	-	-	-	-	(102,350,143,251)	(102,350,143,251)
Appropriation to bonus and welfare fund	-	-	-	-	(13,160,000,000)	(13,160,000,000)
Ending balance	<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>330,100,694,482</u>	<u>2,289,851,229,538</u>

(*) On 12 August 2016, the Company issued 542,353 shares with issue price of 10,000 VND/share to 38 Senior Executives of companies with a total value of 5,423,530,000 VND and costs 176,000,000 VND.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

20. OWNERS' EQUITY (continued)

20.2 Share capital

	<i>Ending balance</i>	<i>Beginning balance</i>
	<i>Shares</i>	<i>Shares</i>
Authorised shares	142,114,510	141,572,157
Shares issued and fully paid <i>Ordinary shares</i>	142,114,510	141,572,157
Shares in circulation <i>Ordinary shares</i>	142,114,510	141,572,157

20.3 Capital transactions with shareholders

	<i>Ending balance</i>	<i>Beginning balance</i>
		<i>VND</i>
Contributed capital		
Beginning balance	1,415,721,570,000	1,339,692,790,000
Increase	5,423,530,000	76,028,780,000
Ending balance	<u>1,421,145,100,000</u>	<u>1,415,721,570,000</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

21. REVENUES

21.1 Revenues from sale of goods and rendering of services

	VND	
	<i>Current year</i>	<i>Previous year</i>
Gross revenues	2,469,034,929,251	1,387,177,733,770
<i>In which:</i>		
<i>Sale of land, apartments, town houses and villas</i>	1,866,718,923,815	1,198,804,898,895
<i>Revenue from Engineering Procurement Contracts ("EPC")</i>	583,593,771,464	176,489,499,999
<i>Rendering of services</i>	18,384,032,654	11,319,641,104
<i>Rental income from investment properties</i>	338,201,318	563,693,772
Less		
Sale returns	-	(8,677,878,248)
Net revenues	<u>2,469,034,929,251</u>	<u>1,378,499,855,522</u>
<i>In which:</i>		
<i>Sale of land, apartments, town houses and villas</i>	1,866,718,923,815	1,190,127,020,647
<i>Revenue from Engineering Procurement Contracts ("EPC")</i>	583,593,771,464	176,489,499,999
<i>Rendering of services</i>	18,384,032,654	11,319,641,104
<i>Rental income from investment properties</i>	338,201,318	563,693,772

21.2 Finance income

	VND	
	<i>Current year</i>	<i>Previous year</i>
Dividends income	64,233,392,125	42,395,046,500
Interest income from loan to a related party	23,172,630,431	23,949,720,002
Gains from disposals of investment	5,948,097,300	14,250,407,383
Interest income from bank deposits	6,026,797,953	3,202,439,500
TOTAL	<u>99,380,917,809</u>	<u>83,797,613,385</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

22. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of land, apartments, town houses and villas	1,533,057,615,013	947,009,608,500
Cost of Engineering Procurement contracts ("EPC")	416,344,503,237	166,566,874,395
Cost of rendering of services	15,716,014,005	1,077,473,680
Operating costs of investment property	464,193,392	406,134,647
TOTAL	<u>1,965,582,325,647</u>	<u>1,115,060,091,222</u>

23. FINANCE EXPENSES

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Share profit to BCC partner	64,837,466,321	42,043,814,537
Interest expense on bonds issued and bank loans	41,352,661,842	27,471,160,925
Interest expense on BCC of Nguyen Son Project	7,027,322,244	-
Loss from disposals of investment Kikyo Valora	1,235,094,143	-
Loss from disposals of investment Thao Nguyen	779,341,569	-
Loss from disposals of investment Kikyo Flora	403,832,944	-
Other finance expenses	3,520,813,052	2,678,610,152
TOTAL	<u>119,156,532,115</u>	<u>72,193,585,614</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 interim separate financial statements could change at a later date upon final determination by the tax authorities.

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	55,559,109,270	19,249,883,182
Deferred income tax benefit	(6,823,518,674)	(1,733,828,889)
TOTAL	<u>48,735,590,596</u>	<u>17,516,054,293</u>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

25. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties were as follows:

Related party	Relationship	Transaction	VND			
			Current year	Previous year		
Nam Long PMD	Subsidiary	Office rental	5,884,567,567	5,685,533,100		
		Buy shares	24,934,947,656	-		
		Water and electricity services	1,299,817,507	1,225,869,920		
		Dividend receivable	795,046,500	795,046,500		
Nam Long Service	Subsidiary	Management services fee	7,041,435,912	4,622,754,508		
Nam Long ADC	Subsidiary	Capital repayment - Ehome 3	126,808,055,862	44,473,791,604		
		Management services fee	51,227,574,823	150,861,904,350		
		Loan repayment	23,476,432,604	149,589,000		
		Profit shared to of a Ehome	64,837,466,321	42,043,814,537		
		Loan	4,002,641,000	47,473,791,604		
		Loan interest	1,854,241,000	3,129,352,333		
		Dividend 2015	17,485,983,000	-		
		Capital repayment - Ehome 4	19,520,000,000	-		
		Nam Khang	Subsidiary	Construction services fee	540,070,049,783	627,891,387,364
				Receipt from BCC liquidation	-	210,190,285,204
Dividends income	-			40,600,000,000		
Buy shares of Kikyo Valora and Kikyo Flora	19,321,453,583			-		
Buy shares of VCD	-			210,190,260,000		
Management consulting services	5,679,339,537			7,411,520,224		
Dividend	4,694,563,130			2,990,995,900		
Nam Long Trading Floor	Subsidiary			Commission expense	52,720,136,052	59,946,944,140
				Renting office	-	530,895,000
				Management consulting services	918,037,127	1,272,717,496

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

25. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties were as follows: (continued)

Related party	Relationship	Transaction	VND	
			Current year	Previous year
Nam Vien	Related party	Construction service fee	3,169,213,548	2,604,137,952
Nguyen Phuc	Subsidiary	General contractor services	171,686,390,000	176,650,818,181
		Dinvestment	65,000,000,000	-
Nam Long VCD	Subsidiary	Loan interest	22,008,741,542	23,949,720,002
		Capital contribution	2,943,400,000	21,200,000,000
		Loan drawdown	17,300,000,000	-
		Renting office	1,159,292,727	54,545,455
Nguyen Son	Subsidiary	Capital contribution	288,191,260,000	35,159,600,000
		Loan drawdown	270,000,000,000	-
Nam Phan	Subsidiary	Capital contribution	64,055,000,000	39,702,732,804
		Loan drawdown	205,000,000,000	40,000,000,000
		Loan repayment	27,000,000,000	30,000,000,000
		Loan interest	4,573,472,222	3,043,333,333
NLG – NNR – HR FUJI	Subsidiary	Capital contribution	196,073,243,583	-
		General contractor services	395,719,455,000	-
Nam Long - Hong Phat	Subsidiary	Capital contribution	9,178,000,000	11,816,600,000
		Loan drawdown	20,000,000,000	-
		Loan interest	1,163,888,889	-
Mr Nguyen Xuan Quang	Chairman	Devidend	5,183,940,711	8,518,757,940
		Advance to acquire ownership interest in an entity	20,412,500,000	24,291,250,000
Ms Nguyen Thi Ngoc Lan	Related party	Loan drawdown	5,000,000,000	-
		Loan repayment	5,000,000,000	1,000,000,000
		Loan interest	203,534,000	-
Ms Nguyen Thi Phuc Nguyen	Related party	Loan repayment	4,692,821,000	1,281,100,000
		Advance for purchase land	1,560,085,727	-
		Dividend	81,320,163	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016**25. TRANSACTIONS WITH RELATED PARTIES** (continued)

Significant transactions with related parties were as follows: (continued)

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Current year</i>	<i>VND</i>
				<i>Previous year</i>
Tran Thanh Phong	Related party	Advances for land compensation purpose	46,553,650,000	-
		Dividend	2,175,785,655	4,019,523,700
Ms Nguyen Thi Bich Ngoc	Related party	Dividend	2,238,161,649	4,314,756,460
Ms Ngo Thi Ngoc Lieu	Related party	Dividend	1,780,350,249	-
		Sale of apartment	1,312,559,042	-
NNH Kikyo Flora	Subsidiary	Capital contribution	50,312,790,000	-
NN Kikyo Valora	Subsidiary	Capital contribution	198,000,000,000	-

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

25. TRANSACTIONS WITH RELATED PARTIES (continued)

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

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<i>VND</i>				
Trade receivables (Note 5)				
Nguyen Phuc	Subsidiary	Project development services	7,807,109,110	28,175,900,000
Nam Long VCD	Subsidiary	Management consultant service fee	9,599,599,723	9,599,599,723
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 Nguyen Thi Bich Ngoc	Related party	Sale of apartment	231,750,000	231,750,000
Nam Long Trading Floor	Subsidiary	Management consultant service fee	1,009,840,840	1,367,428,951
		Office rental service fee	-	589,475,700
Nam Long - Hong Phat	Subsidiary	Management consultant service fee	135,451,256	135,451,256
NLG – NNR – HR FUJI	Subsidiary	General contractor services	52,213,562,500	1,143,509,192
Nam Khang	Joint venture	Management consultant service fee	6,215,923,491	8,152,672,246
Ms Ngo Thi Ngoc Lieu	Related party	Sale of apartment	110,005,097	155,976,987
			78,674,983,882	50,903,505,920
Advance to suppliers (Note 6)				
Nam Long PMD	Subsidiary	Management service	183,923,300	187,341,000
Nam Long Trading Floor	Subsidiary	Management service	4,362,622,817	-
Nam Khang	Subsidiary	Management service	-	14,189,879,000
			4,546,546,117	14,377,220,000

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

25. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Relationship	Transaction	VND	
			Ending balance	Beginning balance
Loan receivables (Note 7)				
Nam Long VCD	Subsidiary	Loan	218,876,890,411	201,576,890,411
Nam Long Hong Phat	Subsidiary	Loan	28,664,682,000	6,894,682,000
			247,541,572,411	208,471,572,411
Other receivables (Note 8)				
Nam Long VCD	Subsidiary	Loan interest	84,544,967,287	62,536,225,745
		Disposal of tools	2,197,028,413	2,197,028,413
Nam Long Hong Phat	Subsidiary	Loan interest receivable	1,163,888,889	-
Nam Phan	Subsidiary	BCC capital withdrawal receivable	18,000,000,000	18,000,000,000
Nam Long PMD	Subsidiary	Deposit for office rental	1,431,051,275	-
		Dividend receivable	-	795,046,500
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
		Advance to acquire an investment	-	1,984,043,120
Nam Khang	Subsidiary	Dividend receivable	-	22,040,000,000
Nguyen Son	Subsidiary	Advance for land purchasing	2,079,195,184	2,079,195,184
Mr Nguyen Xuan Quang	Chairman	Advance to acquire an investment	-	1,999,963,309
			110,022,335,143	112,237,706,366

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

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>Ending balance</i>	<i>Beginning balance</i>	<i>VND</i>
Trade payables (Note 12)					
Nam Khang	Subsidiary	Construction service fee	140,995,936,078	206,288,604,200	
Nam Long ADC	Subsidiary	Management consultant service expenses	17,305,773,199	89,515,853,330	
Nam Long Trading Floor	Subsidiary	Commission	-	16,499,281,015	
Nam Long VCD	Subsidiary	Office rental service	206,910,000	-	
Nam Long Service	Subsidiary	Management service fee	2,989,058,872	1,815,349,656	
Nam Vien	Related party	Construction service fee	142,290,000	456,485,097	
Ms. Nguyen Thi Ngoc Lan	Related party	Land purchasing	-	4,552,800,000	
Mr. Nguyen Xuan Quang	Chairman	Land purchasing	-	3,165,600,000	
			161,639,968,149	322,293,973,298	
Other payables (Note 16)					
Nam Long ADC	Subsidiary	Investment contribution received for BCC	81,393,726,134	224,809,896,523	
		Sharing Profit	138,587,844,427	76,662,263,579	
Nam Khang	Subsidiary	Investment contribution received for BCC	15,671,000,000	15,671,000,000	
		Share purchase	2,488,210,000	-	
Nam Phan	Subsidiary	Investment contribution received for BCC	138,678,918	-	
			238,279,459,479	317,143,160,102	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2016

25. TRANSACTIONS WITH RELATED PARTIES (continued)

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


Related party	Relationship	Transaction	VND	
			Ending balance	Beginning balance
Loans (Note 17)				
Nam Long ADC	Subsidiary	Loan	28,000,000,000	47,473,791,604
Nam Phan	Subsidiary	Loan	188,000,000,000	10,000,000,000
Nguyen Son	Related party	Loan	270,000,000,000	-
Ms Nguyen Thi Phuc Nguyen	Related party	Loan	-	4,692,821,000
			486,000,000,000	62,166,612,604

26. EVENTS AFTER THE BALANCE SHEET DATE

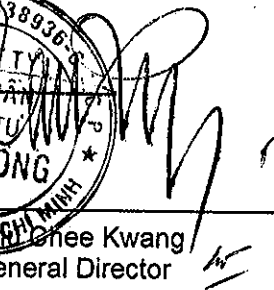
There have been no significant events occurring after the interim balance sheet date which would require adjustments or disclosures to be made in the accompanying interim separate financial statements.



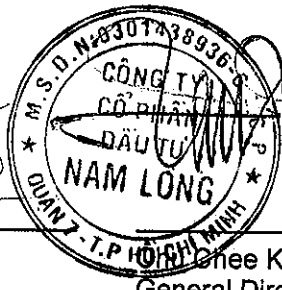
Pham Thi Duong Lieu
Preparer



Luong Thi Kim Thoa
Chief Accountant



Pham Van Khanh Kwang
General Director



17 January 2017