

# **Nam Long Investment Corporation**

Separate financial statements

31 December 2016

# Nam Long Investment Corporation

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# Nam Long Investment Corporation

## GENERAL INFORMATION

### THE COMPANY

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, 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/QĐ-SGDHCM issued by HOSE on 25 January 2013.

As at 31 December 2016, the Company has fourteen direct subsidiaries and two indirect subsidiaries and one jointly-controlled entity with details as follows:

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

# Nam Long Investment Corporation

## GENERAL INFORMATION (continued)

### THE COMPANY (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<sup>th</sup> Floor, Capital Tower, 6 Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam and one branch in Can Tho City, Vietnam.

### BOARD OF DIRECTORS

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

Mr Nguyen Xuan Quang	Chairman
Mr Tran Thanh Phong	Vice chairman
Mr Lai Voon Hon	Member
Mr Bui Duc Khang	Member
Mr Chad Ryan Ovel	Member
Mr Trinh Van Tuan	Member
Mr Ziang Tony Ngo	Member
Mr Ngian Siew Siong	Member
Mr Cao Tan Thach	Member
Mr Linson Lim Soon Kooi	Member

### BOARD OF SUPERVISION

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

Ms Nguyen Thi Thanh Thao	Head of the Board of Supervision	appointed on 23 April 2016
Mr Yip Chong Kuan	Head of the Board of Supervision	resigned on 23 April 2016
	Member	appointed on 23 April 2016
Mr Vuong Thuan	Member	
Mr Timothy Thien Chau	Member	resigned on 25 April 2016

### MANAGEMENT

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

Mr Chu Chee Kwang	General Director
Mr Chau Quang Phuc	Chief Financial Officer
Ms Nguyen Thanh Huong	Investment Director

### LEGAL REPRESENTATIVE

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

Mr Chu Chee Kwang is authorised by Mr Nguyen Xuan Quang to sign the accompanying separate financial statements for the year ended 31 December 2016.

### AUDITORS

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

# Nam Long Investment Corporation

## REPORT OF MANAGEMENT

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

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the separate financial position of the Company and of the separate results of its operations and its separate cash flows for the year. In preparing those separate financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying separate financial statements.

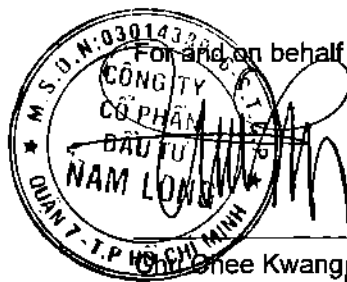
### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2016 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements.

The Company is the parent company of the subsidiaries listed in Note 11.1 and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2016 prepared in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the relevant statutory requirements relevant to preparation and presentation of consolidated financial statements have been issued separately.

Users of these separate financial statements should read them together with the said consolidated financial statements of the Group for the year ended 31 December 2016 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as a whole.

For and on behalf of management:



Chen Kwang  
General Director

Ho Chi Minh City, Vietnam

6 March 2017



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

Tel: +84 8 3824 5252  
Fax: +84 8 3824 5250  
ey.com

Reference: 60755865/18591923

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders and the Board of Directors of Nam Long Investment Corporation**

We have audited the accompanying separate financial statements of Nam Long Investment Corporation ("the Company") as prepared on 6 March 2017 and set out on pages 6 to 43, which comprise the separate balance sheet as at 31 December 2016, the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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



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### **Opinion**

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2016, and of separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the separate financial statements.

### **Emphasis of matter**

We draw attention to Note 2.1 to the separate financial statements. The Company prepared the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2016 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated 6 March 2017 expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.



**Ernst & Young Vietnam Limited**

Dương Lê Anthony  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 2223-2013-004-1

Pham Thi Cam Tu  
Auditor  
Audit Practicing Registration Certificate  
No. 2266-2013-004-1

Ho Chi Minh City, Vietnam

6 March 2017

SEPARATE BALANCE SHEET  
as at 31 December 2016

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,956,102,996,394</b>	<b>2,003,442,018,660</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>255,845,852,248</b>	<b>154,620,194,401</b>
111	1. Cash		118,029,587,481	109,220,194,401
112	2. Cash equivalents		137,816,264,767	45,400,000,000
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>25,822,085,285</b>	-
123	1. Held-to-maturity investments		25,822,085,285	-
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,294,884,686,352</b>	<b>830,598,610,819</b>
131	1. Short-term trade receivables	6	335,464,317,008	179,522,568,865
132	2. Short-term advances to suppliers	7	531,634,120,017	265,637,233,844
135	3. Short-term loan receivables	8	210,241,572,411	208,471,572,411
136	4. Other short-term receivables	9	217,730,438,411	177,295,116,794
137	5. Provision for doubtful debts	6	(185,761,495)	(327,881,095)
<b>140</b>	<b>IV. Inventories</b>	<b>10</b>	<b>379,274,858,231</b>	<b>995,150,436,018</b>
141	1. Inventories		379,274,858,231	995,150,436,018
<b>150</b>	<b>V. Other current assets</b>		<b>275,514,278</b>	<b>23,072,777,422</b>
151	1. Short-term prepaid expenses		275,514,278	-
152	2. Value-added tax deductible		-	23,072,777,422
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>3,393,740,537,664</b>	<b>2,690,176,647,115</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>158,711,312,338</b>	<b>82,677,560,732</b>
215	1. Long-term loan receivables	8	37,300,000,000	-
216	2. Other long-term receivables	9	121,411,312,338	82,677,560,732
<b>220</b>	<b>II. Fixed assets</b>		<b>5,909,971,853</b>	<b>4,176,125,725</b>
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 fixed 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)
<b>230</b>	<b>III. Investment properties</b>		-	<b>3,548,507,235</b>
231	1. Cost		816,491,827	6,024,244,070
232	2. Accumulated depreciation		(816,491,827)	(2,475,736,835)
<b>240</b>	<b>IV. Long-term assets in progress</b>		-	<b>262,801,148</b>
242	1. Construction in progress		-	262,801,148
<b>250</b>	<b>V. Long-term investments</b>	<b>11</b>	<b>3,214,641,902,026</b>	<b>2,568,932,484,575</b>
251	1. Investments in subsidiaries	11.1	3,140,275,472,880	2,330,229,267,848
252	2. Investments in jointly controlled entity	11.2	22,400,000,000	22,400,000,000
253	3. Investment in other entities	11.3	51,966,429,146	216,303,216,727
<b>260</b>	<b>VI. Other long-term assets</b>		<b>14,477,351,447</b>	<b>30,579,167,700</b>
261	1. Long-term prepaid expenses	12	7,444,843,686	24,024,698,255
262	2. Deferred tax assets	26.3	7,032,507,761	6,554,469,445
<b>270</b>	<b>TOTAL ASSETS</b>		<b>5,349,843,534,058</b>	<b>4,693,618,665,775</b>



Nam Long Investment Corporation

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SEPARATE BALANCE SHEET (continued)  
as at 31 December 2016

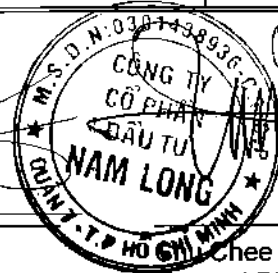
VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>3,059,992,304,512</b>	<b>2,512,781,430,741</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,825,394,664,521</b>	<b>2,109,416,679,973</b>
311	1. Short-term trade payables	13	183,702,913,747	345,539,161,943
312	2. Short-term advances from customers	14	371,941,791,040	856,246,440,478
313	3. Statutory obligations	15	69,320,278,767	72,046,701,908
314	4. Payables to employees		13,429,225,659	15,118,992,691
315	5. Short-term accrued expenses	16	563,481,493,526	151,453,477,146
319	6. Other short-term payables	17	327,094,660,211	413,882,442,276
320	7. Short-term loans	18	294,486,468,259	256,450,226,604
322	8. Bonus and welfare fund		1,937,833,312	(1,320,763,073)
<b>330</b>	<b>II. Non-current liabilities</b>		<b>1,234,597,639,991</b>	<b>403,364,750,768</b>
337	1. Other long-term liabilities	17	2,453,549,515	2,363,900,000
338	2. Long-term loans	18	762,261,387,000	387,948,745,000
339	3. Convertible bond	19	463,083,450,079	-
341	4. Deferred tax liabilities	26.3	2,696,372,479	9,041,852,838
342	5. Long-term provisions		4,102,880,918	4,010,252,930
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>2,289,851,229,546</b>	<b>2,180,837,235,034</b>
<b>410</b>	<b>I. Capital</b>	<b>20.1</b>	<b>2,289,851,229,546</b>	<b>2,180,837,235,034</b>
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 options		40,503,427,830	-
418	4. Investment and development fund		5,940,860,165	5,940,860,165
421	5. Undistributed earnings		330,100,694,490	266,837,657,808
421a	- Undistributed earnings up to prior year-end		186,714,027,547	252,892,523,998
421b	- Net profit after tax of current year		143,386,666,943	13,945,133,810
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>5,349,843,534,058</b>	<b>4,693,618,665,775</b>

Phạm Thị Dương Liễu  
Preparer

Lương Thị Kim Thoa  
Chief Accountant

Chee Kwang  
General Director



6 March 2017

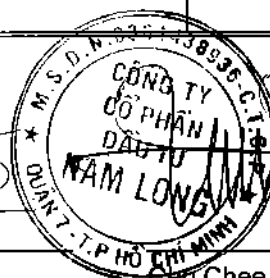
SEPARATE INCOME STATEMENT  
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	21.1	2,469,034,929,251	1,387,177,733,770
02	2. Deductions	21.1	-	(8,677,878,248)
10	3. Net revenues from sale of goods and rendering of services	21.1	2,469,034,929,251	1,378,499,855,522
11	4. Costs of goods sold and services rendered	22	(1,965,582,325,639)	(1,115,060,091,222)
20	5. Gross profit from sale of goods and rendering of services		503,452,603,612	263,439,764,300
21	6. Finance income	21.2	99,380,917,809	83,797,613,385
22	7. Finance expenses	23	(119,156,532,114)	(72,193,585,614)
23	- In which: Interest expense		(41,352,661,841)	(27,471,160,925)
25	8. Selling expenses	24	(167,634,494,564)	(120,436,750,883)
26	9. General and administrative expenses	24	(99,254,117,615)	(84,642,639,352)
30	10. Operating profit		216,788,377,128	69,964,401,836
31	11. Other income	25	10,748,029,531	1,902,335,134
32	12. Other expenses	25	(27,636,128)	(13,648,411,196)
40	13. Other profit (loss)	25	10,720,393,403	(11,746,076,062)
50	14. Accounting profit before tax		227,508,770,531	58,218,325,774
51	15. Current corporate income tax expense	26.1	(55,559,109,274)	(19,249,883,181)
52	16. Deferred tax income	26.3	6,823,518,676	1,733,828,890
60	17. Net profit after tax		178,773,179,933	40,702,271,483

Pham Thi Duong Lieu  
Preparer

Luong Thi Kim Thoa  
Chief Accountant



Chee Kwang  
General Director

SEPARATE CASH FLOW STATEMENT  
for the year ended 31 December 2016

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>227,508,770,531</b>	<b>58,218,325,774</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation		1,341,989,539	1,232,665,958
03	Reversal of provision	6	(142,119,599)	(1,548,034,825)
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		-	1,625,497,346
05	Profits from investing activities		(104,013,675,235)	(83,797,613,385)
06	Interest expense	23	41,352,661,841	27,471,160,925
<b>08</b>	<b>Operating losses before changes in working capital</b>		<b>166,047,627,077</b>	<b>3,202,001,793</b>
09	Increase in receivables		(448,251,838,217)	(237,028,315,417)
10	Decrease in inventories		631,743,453,689	8,445,955,775
11	(Increase) decrease in payables		(378,362,474,726)	394,744,093,885
12	Decrease (increase) in prepaid expenses		16,304,340,291	(2,230,017,797)
14	Interest paid		(30,248,261,678)	(27,665,016,108)
15	Corporate income tax paid	15	(29,956,550,521)	(18,889,187,694)
17	Other cash outflows from operating activities		(4,653,873,615)	(5,058,148,612)
<b>20</b>	<b>Net cash flows (used in) from operating activities</b>		<b>(77,377,577,700)</b>	<b>115,521,365,825</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets		(2,720,854,239)	(1,413,170,148)
22	Proceeds from disposals of fixed assets and other long-term assets		15,116,406,625	-
23	Loans to other entities		(64,892,085,285)	-
25	Payments for investments in other entities		(1,046,605,195,902)	(724,577,691,322)
26	Proceeds from sale of investments in other entities		399,816,553,507	283,262,240,543
27	Interest and dividends received		63,649,728,609	22,263,827,275
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(635,635,446,685)</b>	<b>(420,464,793,652)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Issuance of convertible bond	20.1	40,503,427,830	145,573,822,374
33	Drawdown of borrowings	18.4,19	1,181,093,414,582	334,442,745,000
34	Repayment of borrowings	18.4	(305,661,080,848)	(283,810,473,500)
36	Dividends paid	20.2	(101,697,079,332)	(62,646,396,524)
<b>40</b>	<b>Net cash flows from financing activities</b>		<b>814,238,682,232</b>	<b>133,559,697,350</b>

SEPARATE CASH FLOW STATEMENT (continued)  
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 year		154,620,194,401	326,003,924,878
70	Cash and cash equivalents at end of year	4	255,845,852,248	154,620,194,401

Pham Thi Duong Lieu  
Preparer

Luong Thi Kim Thoa  
Chief Accountant

Shee Kwang  
General Director

6 March 2017

NOTES TO THE 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 No.4103004194 issued by the Ho Chi Minh City Department of Planning and Investment ("DPI") on 27 December 2005, as amended.

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<i>Company</i>	<i>Location</i>	<i>Business</i>
<b>Subsidiary</b>		
Nam Long Property Management and Development One Member Limited Company ("Nam Long PMD")	Ho Chi Minh City ("HCMC")	Construction and real estate
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
NLG – NNR – HR Fuji Company Limited ("NLG – NNR – HR Fuji")	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
NNH Kikyo Flora Company Limited ("Kikyo Flora")	HCMC	Real estate
NNH Kikyo Valora Company Limited ("Kikyo Valora")	HCMC	Real estate
<b>Joint venture</b>		
Gamuda - Nam Long Development Limited Liability Company ("Gamuda – Nam Long")	HCMC	Real estate

NOTES TO THE 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 and one branch in Can Tho City, Vietnam.

The number of the Company's employees as at 31 December 2016 is 183 employees (31 December 2015: 143 employees).

**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 consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2016.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and 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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

**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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

**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 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 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 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 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 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 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 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)*

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 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
<b>TOTAL</b>	<b><u>255,845,852,248</u></b>	<b><u>154,620,194,401</u></b>

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 INVESTMENTS

Held-to-maturity investments represented the term deposits at the commercial banks with the original maturity of six months and earned the interest at the rates ranging from 6.2% to 6.4% p.a.

6. SHORT TERM TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from other customers	256,789,333,126	128,619,062,945
Trade receivables from related parties (Note 27)	78,674,983,882	50,903,505,920
<b>TOTAL</b>	<b><u>335,464,317,008</u></b>	<b><u>179,522,568,865</u></b>
Provision for short-term doubtful debts	(185,761,495)	(327,881,095)
<b>NET</b>	<b><u>335,278,555,513</u></b>	<b><u>179,194,687,770</u></b>

7. 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
- Hoang Nam Company Limited	471,000,000,000	201,000,000,000
- Others	6,481,353,363	5,406,869,085
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
Advances to related parties (Note 27)	4,546,546,117	14,377,220,000
<b>TOTAL</b>	<b><u>531,634,120,017</u></b>	<b><u>265,637,233,844</u></b>

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

8. LOAN RECEIVABLES

	Ending balance	Beginning balance	VND
Loans to related parties (Note 27)	<u>247,541,572,411</u>	<u>208,471,572,411</u>	
<i>In which :</i>			
Short-term loan	210,241,572,411	208,471,572,411	
Long-term loan	37,300,000,000	-	

Details of the loan receivables are as follows:

Borrower	31 December 2016	Due date	Interest rate
	VND		% p.a
<b>Nam Long VCD Corporation</b>			
Loan Agreement dated 1 January 2016 (Note 27)	201,576,890,411	31 December 2017	10.5
Loan Agreement dated 25 May 2016 (Note 27)	17,300,000,000	25 May 2019	10.0
<b>Nam Long – Hong Phat Joint Stock Company</b>			
Loan Agreement dated 8 June 2016 (Note 27)	<u>28,664,682,000</u>	7 June 2018	10.0
	<u><b>247,541,572,411</b></u>		

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

9. OTHER RECEIVABLES

	Ending balance	Beginning balance	VND
<b>Short-term</b>			
Staff advances for land compensation purpose	91,518,062,566	26,437,504,000	
Loan interest receivable	85,708,856,176	62,536,225,745	
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	
Staff advances for other purposes	3,436,578,197	1,964,376,950	
Others	7,524,310,165	39,121,567,572	
	<u>217,730,438,411</u>	<u>177,295,116,794</u>	
<b>Long-term</b>			
Investments in BCC projects (i)	117,264,530,680	78,654,530,680	
Deposit, mortgages or collaterals	2,169,883,275	2,059,883,275	
Others	1,976,898,383	1,963,146,777	
	<u>121,411,312,338</u>	<u>82,677,560,732</u>	
<b>TOTAL</b>	<u><b>339,141,750,749</b></u>	<u><b>259,972,677,526</b></u>	
<i>In which:</i>			
Other receivables	229,119,415,606	147,734,971,160	
Other receivables from related parties (Note 27)	110,022,335,143	112,237,706,366	

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

9. 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. As at 31 December 2016, this project was under construction stage and official launched.

10. INVENTORIES

	VND	
	Ending balance	Beginning balance
Inventory properties under development	373,760,916,284	985,256,582,460
Work in progress	5,513,941,947	9,893,853,558
<b>TOTAL</b>	<b>379,274,858,231</b>	<b>995,150,436,018</b>
<i>Inventory properties under development:</i>		
Long An projects (i) (ii)	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 (ii)	62,498,691,311	255,734,670,972
Can Tho Project (i)	53,785,486,674	56,669,900,885
Hoang Nam Residence Project (ii)	35,642,626,256	3,166,666,667
E.Home West Saigon Project ("Ehome 3 Project") (i) (ii)	22,776,201,587	248,397,561,903
Phu Huu project	13,430,592,654	4,353,600,549
Go O Moi Project	12,561,986,261	10,009,291,004
Binh Duong Project ("Ehome 4 project") (i) (ii)	-	263,595,316,180
Other projects	27,768,472,544	16,174,566,090
<b>TOTAL</b>	<b>373,760,916,284</b>	<b>985,256,582,460</b>

- (i) The following land use rights have been mortgaged to secure the Company's outstanding borrowings (Note 18):
- 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.
- (ii) During the year, the Company capitalised interest amounting to VND 46,710,654,188 to inventory properties under development (for the year ended 31 December 2015: VND 37,002,311,662). These loans and borrowings are used to finance apartments, villa projects and acquisition of land for development for Ehome 3, Ehome 4, Long An, Tan Thuan Dong and Hoang Nam Residence projects.



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

**11. LONG-TERM INVESTMENTS**

	VND	
	Ending balance	Beginning balance
Investments in subsidiaries (Note 11.1)	3,140,275,472,880	2,330,229,267,848
Investments in jointly controlled entities (Note 11.2)	22,400,000,000	22,400,000,000
Other long-term investments (Note 11.3)	51,966,429,146	216,303,216,727
<b>TOTAL</b>	<b><u>3,214,641,902,026</u></b>	<b><u>2,568,932,484,575</u></b>

**11.1 Investments in subsidiaries**

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

Subsidiary	Ending balance		Beginning balance	
	Interest	Cost of investment	Interest	Cost of investment
	%	VND	%	VND
Nam Long VCD	(i) 90.40	970,322,200,000	89.33	967,378,800,000
Nguyen Son	(i) 87.30	687,034,822,800	83.71	163,898,852,800
NLG – NNR – HR Fuji	(i) 50.00	355,214,839,707	95.00	303,116,435,831
Nam Phan	(i) 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	201,981,690,000	100	201,981,690,000
Kikyo Valora	50.00	99,000,000,000	-	-
Nam Long PMD	100	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	(i) 50.00	28,483,116,500	99.44	97,043,166,500
Kikyo Flora	50.00	25,410,500,000	-	-
Trading Floor	100	6,000,000,000	100	6,000,000,000
Nam Long Service	71.29	745,000,000	71.29	745,000,000
<b>TOTAL</b>		<b><u>3,140,275,472,880</u></b>		<b><u>2,330,229,267,848</u></b>

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

**11.2 Investments in jointly controlled entities**

Jointly controlled entity	Business	Ending balance		Beginning balance	
		Interest	Cost of investment	Interest	Cost of investment
		%	VND	%	VND
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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

**11. LONG-TERM INVESTMENTS (continued)**

**11.3 Other long-term investments**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Can Tho – Hong Phat Project (i)	49,966,429,146	40,788,429,146
Bac Trung Nam Housing Development Joint Stock Company	2,000,000,000	2,000,000,000
Nguyen Son Project	-	173,514,787,581
<b>TOTAL</b>	<b><u>51,966,429,146</u></b>	<b><u>216,303,216,727</u></b>

(i) This investment 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 basic infrastructure construction stages.

**12. LONG-TERM PREPAID EXPENSES**

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

**13. SHORT-TERM TRADE PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to related parties (Note 27)	161,639,968,148	322,293,973,298
Trade payables to other suppliers	22,062,945,599	23,245,188,645
<b>TOTAL</b>	<b><u>183,702,913,747</u></b>	<b><u>345,539,161,943</u></b>

**14. 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 SEPARATE FINANCIAL STATEMENTS (continued)  
as at and for the year ended 31 December 2016

**15. STATUTORY OBLIGATIONS**

	VND			
	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>Ending balance</i>
Corporate income tax	34,099,666,081	50,078,625,677	(29,956,550,521)	54,221,741,237
Value-added tax	35,297,335,240	191,837,561,237	(214,900,142,201)	12,234,754,276
Personal income tax	2,649,700,587	19,771,179,642	(19,559,586,418)	2,861,293,811
Other tax	-	203,069,187	(200,579,744)	2,489,443
<b>TOTAL</b>	<b><u>72,046,701,908</u></b>	<b><u>261,890,435,743</u></b>	<b><u>(264,616,858,884)</u></b>	<b><u>69,320,278,767</u></b>

**16. SHORT TERM ACCRUED EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cost-to-complete of 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	23,766,839,803	3,739,176,810
<b>TOTAL</b>	<b><u>563,481,493,526</u></b>	<b><u>151,453,477,146</u></b>

**17. OTHER PAYABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Profit shared to BCC partners		
– Ehome 3 project	112,542,714,427	65,343,248,106
– Ehome 4 project	26,045,130,000	11,319,015,473
Investment contributions received for BCCs	104,968,306,716	273,464,094,961
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	14,697,366,257	8,523,714,022
	<u>327,094,660,211</u>	<u>413,882,442,276</u>
<b>Long-term</b>		
Deposits for rental office	2,453,549,515	2,363,900,000
<b>TOTAL</b>	<b><u>329,548,209,726</u></b>	<b><u>416,246,342,276</u></b>
<i>In which:</i>		
Other payables to other parties	91,268,750,247	99,103,182,174
Other payables to related parties (Note 27)	238,279,459,479	317,143,160,102

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

18. LOANS

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Short-term loans from individuals (Note 18.1)	56,052,601,000	57,211,614,000
Short-term loans from related parties (Notes 18.1 and 27)	28,000,000,000	62,166,612,604
Short-term loan from a bank (Note 18.1)	13,000,000,000	13,750,000,000
Current portion of long-term loans (Note 18.2)	97,743,358,000	29,322,000,000
Current portion of bonds	99,690,509,259	94,000,000,000
	<b>294,486,468,259</b>	<b>256,450,226,604</b>
<b>Long-term</b>		
Loans from banks (Note 18.2)	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 18.3)	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 (Notes 18.2 and 27)	458,000,000,000	-
	<b>762,261,387,000</b>	<b>387,948,745,000</b>
<b>TOTAL</b>	<b>1,056,747,855,259</b>	<b>644,398,971,604</b>

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

18. LOANS (continued)

18.1 Short-term loans

Details of the short-term loans are as follows:

	Ending balance VND	Due date	Purpose	Interest rate (% p.a.)	Description of collateral
<b>Short-term loans from individuals</b>					
Short-term loans from individuals	56,052,601,000	9 December 2017	Support working capital needs	9.5 - 10.5	Unsecured
<b>Short-term loans from related parties</b>					
Nam Long ADC	28,000,000,000	26 March 2017	Support working capital needs	8.0	Unsecured
<b>Short-term loans from a bank</b>					
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 and associated assets in Long An Province

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

**18. LOANS** (continued)

**18.2 Long-term loans**

Details of the long-term loan are as follows:

<i>Lender</i>	<i>Ending balance</i> VND	<i>Due date</i>	<i>Purpose</i>	<i>Interest rate</i> (%/p.a.)	<i>Description of collaterals</i> (Note 10)
<b>Long-term loans from related parties</b>					
Nguyen Son	270,000,000,000	27 December 2018	Support working capital needs	7.0	Unsecured
Nam Phan	188,000,000,000	24 May 2018	Support working capital needs	8.0	Unsecured
<b>TOTAL</b>	<b><u>458,000,000,000</u></b>				
<b>Long-term loans from banks</b>					
Orient Commercial Joint Stock Bank - Loan 1	127,004,745,000	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	275,000,000,000	From 12 October 2017 to 12 October 2022	Purchase Hoang Nam project	9.9	Guaranteed by Hoang Nam Construction Trading Limited
<b>TOTAL</b>	<b><u>402,004,745,000</u></b>				
<i>In which :</i>					
<i>Current portion</i>	97,743,358,000				
<i>Long-term loan</i>	304,261,387,000				

**18.3 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. During the period, the Company repaid VND 94,309,490,741. Amount of VND 99,690,509,259 will be repaid on 28 July 2017.

*Description of collaterals*

59 LURs at An Thanh residential compound, An Thanh, Ben Luc, Long An (Note 10)

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

**18. LOANS** (continued)

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

	Loans	Bonds	VND Total
<b>Beginning balance</b>	<b>400,398,971,604</b>	<b>244,000,000,000</b>	<b>644,398,971,604</b>
Drawdown from borrowings	740,856,402,900	-	740,856,402,900
Repayment from borrowings	(161,661,080,848)	(144,000,000,000)	(305,661,080,848)
Net-off	(22,536,947,656)	-	(22,536,947,656)
Cost of issuing bonds	-	(309,490,741)	(309,490,741)
<b>Ending balance</b>	<b><u>957,057,346,000</u></b>	<b><u>99,690,509,259</u></b>	<b><u>1,056,747,855,259</u></b>

**19. 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 December 2016
Value of convertible bond	500,000,000,000
Equity component (Note 20.1)	<u>(40,503,427,830)</u>
<b>Liability component at initial recognition</b>	<b>459,496,572,170</b>
Add: Amortisation in period	<u>3,586,877,909</u>
<b>Liability component at end of period</b>	<b><u>463,083,450,079</u></b>

NOTES TO THE 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	Total
<b>Previous year</b>						VND
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 year	-	-	-	-	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	1,415,721,570,000	492,337,147,061	5,940,860,165	-	266,837,657,808	2,180,837,235,034
<b>Current year</b>						
Beginning balance	1,415,721,570,000	492,337,147,061	5,940,860,165	-	266,837,657,808	2,180,837,235,034
Issuance of new share (*)	5,423,530,000	(176,000,000)	-	-	-	5,247,530,000
Issuance of convertible bond	-	-	-	40,503,427,830	-	40,503,427,830
Net profit for the year	-	-	-	-	178,773,179,933	178,773,179,933
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	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

(\*) On 12 August 2016, the Company issued 542,353 ordinary shares at agreed value of VND 10,000 per share to the executives in accordance with the Executive Stock Grant program. This issuance was appropriated from bonus and welfare funds and in accordance with the Resolution of Shareholders No. 02/2016/NQ/DHDCD/NLG dated 23 April 2016 and the relevant the Board of Directors' Resolutions.



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

20. OWNERS' EQUITY (continued)

20.2 Capital transactions with shareholders and distribution of dividends

	VND	
	Current year	Previous year
<b>Contributed capital</b>		
Beginning balance	1,415,721,570,000	1,339,692,790,000
Increase	<u>5,423,530,000</u>	<u>76,028,780,000</u>
Ending balance	<u>1,421,145,100,000</u>	<u>1,415,721,570,000</u>
Dividends declared (to be payable in cash)	102,350,143,251	63,062,812,282
Dividends paid	101,697,079,332	62,646,396,524

20.3 Share capital

	Ending balance	Beginning balance
	Shares	Shares
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

NOTES TO THE 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	
	Current year	Previous year
<b>Gross revenues</b>	<b>2,469,034,929,251</b>	<b>1,387,177,733,770</b>
<i>In which:</i>		
Sale of land, apartments, town houses and villas	1,866,718,923,815	1,198,804,898,895
Revenue from Engineering Procurement Contracts ("EPC")	583,593,771,464	176,489,499,999
Rendering of services	18,224,941,745	11,319,641,104
Rental income from investment properties	497,292,227	563,693,772
<b>Less</b>		
Sale returns	-	(8,677,878,248)
<b>Net revenues</b>	<b><u>2,469,034,929,251</u></b>	<b><u>1,378,499,855,522</u></b>
<i>In which:</i>		
Sale of land, apartments, town houses and villas	1,866,718,923,815	1,190,127,020,647
Revenue from Engineering Procurement Contracts ("EPC")	583,593,771,464	176,489,499,999
Rendering of services	18,224,941,745	11,319,641,104
Rental income from investment properties	497,292,227	563,693,772
<i>In which:</i>		
Sale to other parties	1,878,932,952,524	1,200,208,427,986
Sale to related parties	590,101,976,727	178,291,427,536

21.2 Finance income

	VND	
	Current year	Previous year
Dividends income	64,233,392,125	42,395,046,500
Interest income from loan to a related party (Note 27)	23,172,630,431	23,949,720,002
Interest income from bank deposits	6,026,797,953	3,202,439,500
Gains from disposals of investment	5,948,097,300	14,250,407,383
<b>TOTAL</b>	<b><u>99,380,917,809</u></b>	<b><u>83,797,613,385</u></b>

22. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of land, apartments, town houses and villas (*)	1,394,445,571,546	947,009,608,500
Cost of Engineering Procurement Contracts ("EPC") services (*)	554,956,546,696	166,566,874,396
Cost of rendering of services	15,716,014,005	1,077,473,680
Operating costs of investment property	464,193,392	406,134,646
<b>TOTAL</b>	<b><u>1,965,582,325,639</u></b>	<b><u>1,115,060,091,222</u></b>

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

22. COST OF GOODS SOLD AND SERVICES RENDERED (continued)

(\*) Being included in costs of property inventories sold are the following accruals:

	Current year			Previous year			VND
	Actual costs incurred	Accrued as at 31 December 2016	Cost of goods sold recognised	Actual costs incurred	Accrued as at 31 December 2015	Cost of goods sold recognised	
Cost of land, apartments, town houses and villas	1,250,362,235,873	144,083,335,673	1,394,445,571,546	947,009,608,500	-	947,009,608,500	
Cost of project development services	312,930,646,731	242,025,899,965	554,956,546,696	154,145,960,160	12,420,914,236	166,566,874,396	
<b>TOTAL</b>	<b>1,563,292,882,604</b>	<b>386,109,235,638</b>	<b>1,949,402,118,242</b>	<b>1,101,155,568,660</b>	<b>12,420,914,236</b>	<b>1,113,576,482,896</b>	

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

**23. FINANCE EXPENSES**

		<i>VND</i>
	<i>Current year</i>	<i>Previous year</i>
Share profit to BCC partners	64,837,466,321	42,043,814,537
Interest expense on bonds issued and bank loans	41,352,661,841	27,471,160,925
Loss from disposal of investments	5,207,869,495	-
Other finance expenses	7,758,534,457	2,678,610,152
<b>TOTAL</b>	<b><u>119,156,532,114</u></b>	<b><u>72,193,585,614</u></b>

**24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

		<i>VND</i>
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>		
- Commission fee	85,991,371,491	62,598,720,845
- Salary expenses	21,600,382,380	15,909,108,263
- Marketing and show-houses construction cost	15,691,548,468	13,796,470,705
- Consultant fee	19,254,849,729	14,635,739,550
- Others	25,096,342,496	13,496,711,520
	<b><u>167,634,494,564</u></b>	<b><u>120,436,750,883</u></b>
<b>General and administrative expenses</b>		
- Salary expenses	62,808,166,067	49,653,228,004
- External services	17,008,176,970	16,746,003,756
- Rental expenses	6,480,480,221	5,817,923,555
- Depreciation	972,218,160	935,850,842
- Others	11,985,076,197	11,489,633,195
	<b><u>99,254,117,615</u></b>	<b><u>84,642,639,352</u></b>
<b>TOTAL</b>	<b><u>266,888,612,179</u></b>	<b><u>205,079,390,235</u></b>

**25. OTHER INCOME AND EXPENSES**

		<i>VND</i>
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>	<b>10,748,029,531</b>	<b>1,902,335,134</b>
Penalties received from contract violation	8,799,050,381	963,281,136
Land rental income	1,594,571,123	-
Others	354,408,027	939,053,998
<b>Other expenses</b>	<b>27,636,128</b>	<b>13,648,411,196</b>
Interest on late payment	-	13,565,159,871
Others	27,636,128	83,251,325
<b>NET</b>	<b><u>10,720,393,403</u></b>	<b><u>(11,746,076,062)</u></b>

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

**26. 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.

**26.1 CIT expense**

	VND	
	Current year	Previous year
Current CIT expense	55,391,236,893	17,639,594,406
Adjustment for under accrual of tax from previous periods	167,872,381	1,610,288,775
Deferred income tax income	<u>(6,823,518,676)</u>	<u>(1,733,828,890)</u>
<b>TOTAL</b>	<b><u>48,735,590,598</u></b>	<b><u>17,516,054,291</u></b>

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

	VND	
	Current year	Previous year
Accounting profit before tax	<b>227,508,770,531</b>	<b>58,218,325,774</b>
At applicable CIT rate of tax 20% (2015: 22%)	45,501,754,106	12,808,031,670
CIT deduction	-	(205,621,466)
<i>Adjustments to increase (decrease) CIT expenses</i>		
Share profit to BCC partners	12,967,493,264	8,657,807,305
Expenses with inadequate supporting documents	2,067,704,734	988,123,065
Difference between actual interest rate and nominal interest rate on convertible bond	877,444,538	-
Penalty interest on tax late payment	-	2,984,335,172
Dividends income	<u>(12,846,678,425)</u>	<u>(9,326,910,230)</u>
Under provision of CIT from previous years	167,872,381	1,610,288,775
<b>CIT expense</b>	<b><u>48,735,590,598</u></b>	<b><u>17,516,054,291</u></b>

**26.2 Current tax**

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

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

26. CORPORATE INCOME TAX (continued)

26.3 *Deferred tax*

The following are the major deferred tax assets and liabilities recognized by the Company, and the movements thereon, during the current and previous years.

	<i>Separate balance sheet</i>		<i>Separate income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
	VND			
<b><i>Deferred tax assets</i></b>				
Accrued expenses	4,801,168,528	5,172,990,582	(371,822,054)	(409,420,712)
Interest expenses	647,954,204	855,047,802	(207,093,598)	(85,504,783)
Provision	-	-	-	(376,592,779)
Temporary difference in cost of sales	1,583,385,029	526,431,061	1,056,953,968	526,431,061
	<b><u>7,032,507,761</u></b>	<b><u>6,554,469,445</u></b>		
<b><i>Deferred tax liabilities</i></b>				
Deferred tax loss	(2,696,372,479)	(2,696,372,478)	-	204,284,927
Temporary difference in cost of sales	-	(6,345,480,360)	6,345,480,360	1,874,631,176
	<b><u>(2,696,372,479)</u></b>	<b><u>(9,041,852,838)</u></b>		
<b><i>Net deferred tax income</i></b>			<b><u>6,823,518,676</u></b>	<b><u>1,733,828,890</u></b>

27. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
Nam Long PMD	Subsidiary	Dividend receivable	22,937,055,658	1,795,046,500
		Office rental service fee	5,884,567,567	5,685,533,100
		Purchasing of electricity, water and meal voucher	1,299,817,507	1,225,869,920
Nam Long Service	Subsidiary	Management services fee	7,041,435,912	4,622,754,508
Nam Long ADC	Subsidiary	BCC Capital repayment	146,328,055,862	44,473,791,604
		Profit shared to of a Ehome	64,837,466,321	42,043,814,537
		Management services fee	51,225,184,823	25,541,823,296
		Loan repayment	23,476,432,604	149,589,000
		Dividend income	17,485,983,000	-
		Loan drawdown	4,002,641,000	47,473,791,604
		Loan interests	2,728,238,000	3,129,352,333
Project development Contract expenses			- 150,861,904,350	

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Relationship	Transaction	VND	
			Current year	Previous year
Nam Khang	Subsidiary	Construction services expenses	540,070,049,783	627,891,387,364
		Purchasing of ownership in other entities	19,321,453,583	210,190,285,204
		Dividends income	17,400,000,000	40,600,000,000
		Management consultant service fee	5,679,339,537	7,411,520,224
		Dividends expense	4,694,563,130	2,990,995,900
		Receipt from BCC liquidation	-	210,190,260,000
Trading Floor	Subsidiary	Commission expenses	52,720,136,052	59,946,944,140
		Management consultant service fee	918,037,127	1,272,717,496
Nguyen Phuc	Subsidiary	Receipt from EPC services	187,874,316,464	176,650,818,181
		Capital withdrawal	65,000,000,000	-
		Penalty for late payment	4,926,000,000	-
Nam Vien	Indirect subsidiary	Construction service expenses	3,169,213,551	2,604,137,952
Nam Long VCD	Subsidiary	Interest income	22,008,741,542	23,949,720,002
		Loan to	17,300,000,000	-
		Capital contribution	2,943,400,000	21,200,000,000
Nguyen Son	Subsidiary	Purchasing of new shares	288,191,260,000	-
		Loan drawdown	270,000,000,000	-
		BCC capital contribution	-	35,159,600,000
Nam Phan	Subsidiary	Loan drawdown	205,000,000,000	40,000,000,000
		Capital contribution	111,640,000,000	-
		Loan repayment	27,000,000,000	30,000,000,000
		Loan interest	4,573,472,222	3,043,333,333
		BCC capital contribution	-	39,702,732,804
Nam Long Hong Phat	Subsidiary	Loan to	30,000,000,000	-
		Loan collection	10,000,000,000	-
		Working capital contribution	9,178,000,000	11,816,600,000
		Interest income	1,163,888,889	-
NLG – NNR – HR Fuji	Subsidiary	Revenue from EPC services	395,719,455,000	-
		Capital contribution	211,240,000,000	-
Kikyo Flora	Subsidiary	Capital contribution	50,312,790,000	-
Kikyo Valora	Subsidiary	Capital contribution	196,020,000,000	-

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related party	Relationship	Transaction	VND	
			Current year	Previous year
Mr Tran Thanh Phong	Vice - chairman	Dividend expense	2,175,785,655	4,019,523,700
Mr Nguyen Xuan Quang	Chairman	Acquire ownership interest	20,412,500,000	24,291,250,000
		Dividend expense	5,183,940,711	8,518,757,940
Ms Nguyen Thi Ngoc Lan	Related party	Loan repayment	5,000,000,000	1,000,000,000
		Loan drawdown	5,000,000,000	-
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	-
		Acquisition of ownership interest in Nguyen Phuc	-	22,084,500,000
		Loan drawdown	-	2,675,966,000
Ms Nguyen Thi Bich Ngoc	Related party	Dividend expense	2,238,161,649	4,314,756,460
Ms Ngo Thi Ngoc Lieu	Related party	Advance for purchasing of Apartment	1,312,559,042	-



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

27. 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>VND Beginning balance</i>
<b>Trade receivables (Note 6)</b>				
NLG – NNR – HR Fujii	Subsidiary	EPC services fee Office rental service fee	52,213,562,500 -	- 1,143,509,192
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	8,152,672,246
Nguyen Phuc	Subsidiary	Receipt of interest on late payment EPC services fee	4,926,000,000 2,881,109,110	- 28,175,900,000
Trading floor	Subsidiary	Management consultant service fee Office rental service fee	1,009,840,840 -	1,367,428,951 589,475,700
Nam Long Service	Subsidiary	Management consultant service fee Office rental service fee	733,212,590 618,529,275	733,212,590 618,529,275
Ms Nguyen Thi Bich Ngoc	Related party	Sale of apartment	231,750,000	231,750,000
Ms Ngo Thi Ngoc Lieu	Related party	Sale of apartment	110,005,097	155,976,987
Nam Long Hong Phat	Subsidiary	Management consultant service fee	135,451,256	135,451,256
			<b>78,674,983,882</b>	<b>50,903,505,920</b>
<b>Advance to suppliers (Note 7)</b>				
Trading Floor	Subsidiary	Management service	4,362,622,817	-
Nam Long PMD	Subsidiary	Management service	183,923,300	187,341,000
Nam Khang	Subsidiary	Management service	-	14,189,879,000
			<b>4,546,546,117</b>	<b>14,377,220,000</b>
<b>Loan receivables (Note 8)</b>				
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
			<b>247,541,572,411</b>	<b>208,471,572,411</b>

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

27. 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
<b>Other receivables (Note 9)</b>				
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 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	-
		Dividend receivable	-	795,046,500
Nam Long Hong Phat	Subsidiary	Loan interest	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	Advance to acquire an investment	-	1,984,043,120
		Payment on behalf	113,404,095	113,404,095
Nam Khang	Subsidiary	Dividend receivable	-	22,040,000,000
Mr Nguyen Xuan Quang	Chairman	Advance to acquire an investment	-	1,999,963,309
			<b>110,022,335,143</b>	<b>112,237,706,366</b>

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

27. 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
<b>Trade payables (Note 13)</b>				
Nam Khang	Subsidiary	Construction service expenses	140,995,936,077	206,288,604,200
Nam Long ADC	Subsidiary	Management service expenses	17,305,773,199	89,515,853,330
Nam Long Service	Subsidiary	Management service expenses	2,989,058,872	1,815,349,656
Nam Long VCD	Subsidiary	Office rental	206,910,000	-
Nam Vien	Indirect subsidiary	Construction service fee	142,290,000	456,485,097
Trading Floor	Subsidiary	Commission	-	16,499,281,015
Mr. Nguyen Xuan Quang	irman	Land purchasing	-	3,165,600,000
Ms. Nguyen Thi Ngoc Lan	Related party	Land purchasing	-	4,552,800,000
			<b>161,639,968,148</b>	<b>322,293,973,298</b>
<b>Other payables (Note 17)</b>				
Nam Long ADC	Subsidiary	Investment contribution received for BCC - Ehome Project	81,393,726,134	224,809,896,523
		Profit share for Ehome Project	138,587,844,427	76,662,263,579
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	-
			<b>238,279,459,479</b>	<b>317,143,160,102</b>
<b>Loans (Note 18)</b>				
Nguyen Son	Subsidiary	Loan	270,000,000,000	-
Nam Phan	Subsidiary	Loan	188,000,000,000	10,000,000,000
Nam Long ADC	Subsidiary	Loan	28,000,000,000	47,473,791,604
Ms Nguyen Thi Phuc Nguyen	Related party	Loan	-	4,692,821,000
			<b>486,000,000,000</b>	<b>62,166,612,604</b>

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

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

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

	VND	
	<i>Current year</i>	<i>Previous year</i>
Remuneration to members of the BOD	6,762,000,000	5,641,666,667
Remuneration to members of the Management	8,028,240,852	5,006,260,139
<b>TOTAL</b>	<b><u>14,790,240,852</u></b>	<b><u>10,647,926,806</u></b>

**28. CORRESPONDING FIGURES**

Certain corresponding figures on the separate financial statements for the year ended 31 December 2015 have been reclassified to reflect the presentation of the current year's separate financial statements in accordance with Circular 200.

**29. COMMITMENTS AND CONTINGENCIES**

***Operating lease commitments***

*As lessee*

The Company leases office space for its head office in Capital Tower, 6 Nguyen Khac Vien Street, Tan Phu Ward, District 7, Ho Chi Minh City, Vietnam owned by Nam Long Development Corporation - the Company's subsidiary. The future minimum lease commitments as at 31 December 2016 under the operating lease agreements are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Less than one year	6,127,894,183	6,623,955,276
From one to five years	9,191,841,274	16,559,888,190
<b>TOTAL</b>	<b><u>15,319,735,457</u></b>	<b><u>23,183,843,466</u></b>

*As lessor*

During the year, the Company leases out assets under operating lease arrangements. The future minimum rental receivable as at 31 December 2016 under the operating lease agreements are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Less than one year	-	2,364,295,000
From one to five years	-	4,546,516,364
<b>TOTAL</b>	<b><u>-</u></b>	<b><u>6,910,811,364</u></b>

During the year, the Company disposed the office A1 and A2 in Tan Thuan Dong with the NBV of VND 3,456,326,955.

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

29. COMMITMENTS AND CONTINGENCIES (continued)

*Capital commitments*

As at 31 December 2016, the Company has contractual commitments for the construction work for its apartments, villa projects as follows:


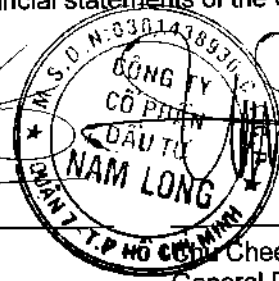

	<i>Contracted amount</i>	<i>Recognized amount</i>	<i>VND Remaining commitments</i>
Fuji Residence project	372,131,650,000	(121,397,080,000)	250,734,570,000
Kikyo Residence project	301,767,670,000	-	301,767,670,000
Ehome 3 Project	127,771,280,000	(92,081,170,000)	35,690,110,000
Vinmart supermarket - Tan Thuan Dong project	34,665,790,000	(30,502,500,000)	4,163,290,000
Flora Anh Dao project	23,969,773,849	(11,678,470,000)	12,291,303,849
Hoang Nam project	18,947,550,000	(3,780,000,000)	15,167,550,000
Binh Duong project	2,305,080,000	(1,559,010,000)	746,070,000
Phu Thuan Project	478,710,000	(257,000,000)	221,710,000
Camellia project	279,040,000	-	279,040,000
<b>TOTAL</b>	<b>882,316,543,849</b>	<b>(261,255,230,000)</b>	<b>621,061,313,849</b>

30. 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 separate financial statements of the Company.



Pham Thi Duong Lieu  
Preparer

Luong Thi Kim Thoa  
Chief Accountant

Chee Kwang  
General Director

6 March 2017