

**NO VA LAND INVESTMENT GROUP CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
QUARTER III 2018**



**NO VA LAND INVESTMENT GROUP CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

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## NO VA LAND INVESTMENT GROUP CORPORATION

### CORPORATE INFORMATION

<b>Business Registration Certificate</b>	No. 054350 dated 18 September 1992 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 45th amended Business Registration Certificate No. 0301444753 dated 31 May 2018.	
<b>Board of Directors</b>	Mr. Bui Thanh Nhon Mr. Bui Xuan Huy Ms. Hoang Thu Chau Ms. Nguyen Thanh Bich Thuy Mr. David Frederick Proctor	Chairman Member Member Independent Member Independent Member (from 26 April 2018)
<b>Audit committee</b>	Ms. Nguyen Thanh Bich Thuy Ms. Nguyen Thi Minh Thanh Ms. Vo Thi Thu Van Mr. David Frederick Proctor	Chairman Member Member Member
<b>Board of Management</b>	Mr. Bui Xuan Huy Ms. Hoang Thu Chau	General Director Deputy General Director
<b>Legal representative</b>	Mr. Bui Thanh Nhon Mr. Bui Xuan Huy Ms. Luong Thi Thu Huong	Chairman General Director Director
<b>Registered office</b>	313B - 315 Nam Ky Khoi Nghia Street, Ward 7, District 3, Ho Chi Minh City, Vietnam	
<b>Operation office</b>	65 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	

## NO VA LAND INVESTMENT GROUP CORPORATION

### STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of No Va Land Investment Group Corporation ("the Company") is responsible for preparing consolidated financial statements which give a true and fair view of the financial position of the Company and its subsidiaries (together, "the Group") as at 30 September 2018 and the results of its operations and cash flows for the period then ended. In preparing for these consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated financial statements as set out on pages 3 to 68 which give a true and fair view of the financial position of the Group as at 30 September 2018 and of the results of its operations and cash flows for the period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.



Ho Chi Minh City, SR Vietnam  
30 October 2018

## CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30/09/2018 VND	31/12/2017 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>43,766,617,918,031</b>	<b>41,165,965,853,502</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>4</b>	<b>4,869,248,099,742</b>	<b>6,650,160,994,741</b>
111	Cash		425,711,332,496	1,198,110,884,846
112	Cash equivalents		4,443,536,767,246	5,452,050,109,895
<b>120</b>	<b>Short-term investments</b>		<b>80,577,276,622</b>	<b>512,509,850,676</b>
123	Investments held to maturity	5(a)	80,577,276,622	512,509,850,676
<b>130</b>	<b>Short-term receivables</b>		<b>4,784,753,561,738</b>	<b>5,998,164,901,016</b>
131	Short-term trade accounts receivable	6	598,688,759,953	390,715,866,371
132	Short-term prepayments to suppliers	7	1,699,002,823,232	1,771,344,474,280
135	Short-term lending	8(a)	709,773,622,349	625,605,206,171
136	Other short-term receivables	9(a)	1,777,288,356,204	3,210,499,354,194
137	Provision for doubtful debts - short term	10	-	-
<b>140</b>	<b>Inventories</b>	<b>11(a)</b>	<b>32,988,506,945,333</b>	<b>27,128,796,867,411</b>
141	Inventories		32,993,525,545,641	27,136,318,547,663
149	Provision for decline in value of inventories		(5,018,600,308)	(7,521,680,252)
<b>150</b>	<b>Other current assets</b>		<b>1,043,532,034,596</b>	<b>876,333,239,658</b>
151	Short-term prepaid expenses	12(a)	185,692,996,725	104,024,633,186
152	Value Added Tax to be reclaimed	20(a)	677,724,935,789	649,739,747,874
153	Taxes and other receivables from the State Budget	20(a)	180,114,102,082	122,568,858,598

The notes on pages 10 to 68 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET**  
**(continued)**

Code	ASSETS (continued)	Note	As at	
			30/09/2018 VND	31/12/2017 VND
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>18,628,626,643,647</b>	<b>8,300,996,138,739</b>
<b>210</b>	<b>Long-term receivables</b>		<b>209,210,856,990</b>	<b>654,401,516,832</b>
212	Long-term advances to suppliers		-	953,750,090
215	Long-term lending	8(b)	-	449,644,400,000
216	Other long-term receivables	9(b)	209,210,856,990	203,803,366,742
<b>220</b>	<b>Fixed assets</b>		<b>351,541,715,917</b>	<b>326,609,439,362</b>
221	Tangible fixed assets	13	305,257,545,811	281,845,599,120
222	Historical cost		460,259,738,938	411,168,923,089
223	Accumulated depreciation		(155,002,193,127)	(129,323,323,969)
227	Intangible fixed assets	14	46,284,170,106	44,763,840,242
228	Historical cost		55,323,482,270	50,544,832,543
229	Accumulated amortization		(9,039,312,164)	(5,780,992,301)
<b>230</b>	<b>Investment properties</b>	15	<b>3,456,193,077,942</b>	<b>2,944,616,534,199</b>
231	Historical cost		3,599,618,487,624	3,055,632,258,276
232	Accumulated depreciation		(143,425,409,682)	(111,015,724,077)
<b>240</b>	<b>Long-term assets in progress</b>		<b>356,471,868,146</b>	<b>361,032,817,716</b>
241	Long-term work in progress	11(b)	181,962,136,884	224,136,375,352
242	Construction in progress	16	174,509,731,262	136,896,442,364
<b>250</b>	<b>Long-term investments</b>		<b>7,896,289,908,556</b>	<b>1,042,972,935,246</b>
252	Investments in associates, joint ventures	5(b)	7,895,689,908,556	1,042,972,935,246
253	Investment in other entities		600,000,000	-
<b>260</b>	<b>Other long-term assets</b>		<b>6,358,919,216,096</b>	<b>2,971,362,895,384</b>
261	Long-term prepaid expenses	12(b)	434,325,398,908	449,352,171,677
262	Deferred income tax assets	39(a)	99,612,388,926	115,783,534,333
269	Goodwill	17	5,824,981,428,262	2,406,227,189,374
<b>270</b>	<b>TOTAL ASSETS</b>		<b>62,395,244,561,678</b>	<b>49,466,961,992,241</b>

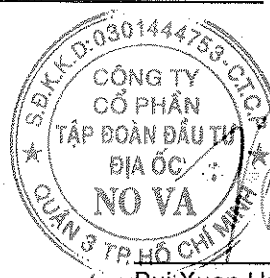
The notes on pages 10 to 68 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET**  
(continued)

Code	RESOURCES	Note	As at	
			30/09/2018 VND	31/12/2017 VND
<b>300</b>	<b>LIABILITIES</b>		<b>44,021,809,101,577</b>	<b>36,210,571,488,821</b>
<b>310</b>	<b>Current liabilities</b>		<b>28,472,873,084,288</b>	<b>22,658,196,187,952</b>
311	Short-term trade accounts payable	18	2,367,924,576,154	2,648,333,517,795
312	Short-term advances from customers	19	11,352,044,026,307	8,848,256,383,261
313	Taxes and other payables to the State Budget	20(b)	186,338,963,609	588,662,021,432
314	Payable to employees	21	127,355,634,562	114,949,661,694
315	Short-term accrued expenses	22	1,396,443,151,105	1,382,586,375,115
318	Short-term unearned revenue		627,064,264	1,974,280,808
319	Other short-term payables	23(a)	3,326,046,115,286	1,318,999,855,808
320	Short-term borrowings	24(a)	9,710,540,641,608	7,748,878,980,646
322	Bonus and welfare funds		5,552,911,393	5,555,111,393
<b>330</b>	<b>Non-current liabilities</b>		<b>15,548,936,017,289</b>	<b>13,552,375,300,869</b>
336	Long-term unearned revenue		27,630,925,913	27,481,411,249
337	Other long-term payables	23(b)	867,160,179,095	1,664,029,225,075
338	Long-term borrowings	24(b)	12,500,325,751,504	10,200,873,745,673
341	Deferred income tax liabilities	39(a)	2,153,819,160,777	1,659,990,918,872
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>18,373,435,460,101</b>	<b>13,256,390,503,420</b>
<b>410</b>	<b>Capital and reserves</b>		<b>18,373,435,460,101</b>	<b>13,256,390,503,420</b>
411	Owners' capital	25, 26	9,142,859,280,000	6,496,587,880,000
411a	- Ordinary shares with voting rights		9,074,559,280,000	6,428,287,880,000
411b	- Preference shares		68,300,000,000	68,300,000,000
412	Share premium	26	3,977,384,241,026	3,206,830,905,400
421	Undistributed earnings	26	4,292,322,598,413	2,907,218,106,652
421a	- Undistributed post-tax profits of the previous years		2,907,218,106,652	927,684,830,514
421b	- Undistributed post-tax profit of the current period		1,385,104,491,761	1,979,533,276,138
429	Non-controlling interests	27	960,869,340,662	645,753,611,368
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>62,395,244,561,678</b>	<b>49,466,961,992,241</b>

\_\_\_\_\_  
Nguyen Ngoc Bang  
Preparer

\_\_\_\_\_  
Tran Thi Thanh Van  
Chief Accountant



\_\_\_\_\_  
Bui Xuan Huy  
General Director  
30 October 2018

The notes on pages 10 to 68 are an integral part of these consolidated financial statements.

NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02a – DN/HN

CONSOLIDATED INCOME STATEMENT

Code	Note	Quarter 3/2018 VND	Quarter 3/2017 VND	For the period ended	
				30/09/2018 VND	30/09/2017 VND
01	Sales of goods and rendering of services	2,457,894,591,192	2,439,659,513,036	6,786,683,130,757	5,813,504,292,025
02	Less deductions	(14,481,152,845)	(36,221,248,957)	(53,535,525,600)	(76,795,145,148)
10	Net revenue from sales of goods and rendering of services	2,443,413,438,347	2,403,438,264,079	6,733,147,605,157	5,736,709,146,877
11	Cost of sales	(1,782,335,243,929)	(1,552,519,555,488)	(4,662,245,692,764)	(4,076,182,000,946)
20	Gross profit from sales of goods and rendering of services	661,078,194,418	850,918,708,591	2,070,901,912,393	1,660,527,145,931
21	Financial income	85,853,754,076	222,982,117,060	989,558,033,599	1,441,778,512,032
22	Financial expenses	(471,627,580,596)	(348,440,193,898)	(1,400,293,443,210)	(888,002,936,035)
23	- Including: Interest expenses	(310,284,104,503)	(309,507,252,110)	(1,023,632,028,876)	(767,028,589,845)
24	Share of profit from associates	814,508,774,570	(6,153,210,096)	1,054,940,097,312	(4,682,398,602)
25	Selling expenses	(89,104,529,492)	(41,859,397,768)	(225,381,547,879)	(126,379,817,977)
26	General and administration expenses	(173,208,477,599)	(120,440,209,193)	(497,416,022,302)	(499,969,939,878)
30	Net operating profit	827,500,135,377	557,007,814,696	1,992,309,029,913	1,583,270,565,471
31	Other income	9,713,757,158	4,565,006,018	22,994,991,139	14,911,665,030
32	Other expenses	(34,112,712,504)	(3,482,943,795)	(45,598,751,230)	(22,406,806,499)
40	Net other (expense)/income	(24,398,955,346)	1,082,062,223	(22,603,760,091)	(7,495,141,469)
50	Net accounting profit before tax	803,101,180,031	558,089,876,919	1,969,705,269,822	1,575,775,424,002
51	Business income tax – current	(119,071,601,718)	(218,767,987,404)	(465,244,454,988)	(453,893,712,322)
52	Business income tax – deferred	(16,879,385,756)	163,453,057,973	(91,993,377,523)	222,062,504,387
60	Net profit after tax	667,150,192,557	502,774,947,488	1,412,467,437,311	1,343,944,216,067

The notes on pages 10 to 68 are an integral part of these consolidated financial statements.

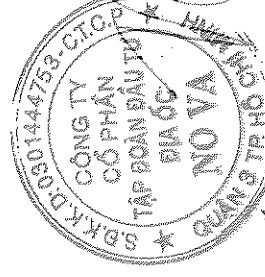


NO VA LAND INVESTMENT GROUP CORPORATION

Form B 02a – DN/HN

CONSOLIDATED INCOME STATEMENT  
(continued)

Code	Note	Quarter 3/2018	Quarter 3/2017	For the period ended	
		VND	VND	30/09/2018	30/09/2017
				VND	VND
Attributable to:					
61	Shareholders of the parent company	657,259,561,851	488,003,508,161	1,380,051,684,088	1,322,310,423,603
62	Non-controlling interests	9,890,630,706	14,771,439,327	32,415,753,223	21,633,792,464
70	Basic earnings per share	703	577	1,517	1,618
71	Diluted earnings per share	703	577	1,517	1,618



*[Signature]*

Tran Thi Thanh Van  
Chief Accountant

*[Signature]*

Nguyen Ngoc Bang  
Preparer

*[Signature]*  
Bui Xuan Huy  
General Director  
30 October 2018

The notes on pages 10 to 68 are an integral part of these consolidated financial statements.


**CONSOLIDATED CASH FLOW STATEMENT**  
**(Indirect method)**

Code	Note	For the period ended	
		30/09/2018 VND	30/09/2017 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	1,969,705,269,822	1,575,775,424,002
	Adjustments for:		
02	Depreciation, amortization and goodwill allocation	332,739,216,846	398,801,586,024
03	Reversal of provisions	(2,503,079,944)	(10,522,399,877)
04	Unrealized foreign exchange losses/(gain)	177,283,928,098	(1,292,665,425)
05	Profits from investing activities	(1,900,059,960,611)	(1,398,474,471,943)
06	Interest expenses, bond issuance costs	1,073,875,168,716	802,465,590,822
08	Operating profit before changes in working capital	1,651,040,542,927	1,366,753,063,603
09	Decrease in receivables	2,595,364,733,472	2,151,034,072,786
10	Increase in inventories	(2,018,038,192,312)	(2,414,396,298,128)
11	(Decrease)/increase in payables	(2,372,224,292,898)	1,018,111,517,220
12	(Increase)/decrease in prepaid expenses	(66,089,282,897)	33,759,014,892
14	Interest paid	(1,295,187,711,196)	(716,733,045,571)
15	Business income tax paid	(574,538,251,226)	(301,956,989,609)
20	Net cash flows from operating activities	(2,079,672,454,130)	1,136,571,335,193
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(91,455,402,288)	(996,257,869,743)
22	Proceeds from disposals of fixed assets	410,877,424	2,615,221,023
23	Loans granted, purchases of debt instruments of other entities	(579,671,128,122)	(1,033,590,052,640)
24	Collection of loans, proceeds from sales of debt instruments of other entities	2,559,722,268,391	1,797,886,861,454
25	Investments in other entities	(7,707,486,692,055)	(5,576,522,263,867)
26	Proceeds from divestment in other entities	833,835,774,717	1,780,229,862,483
27	Interest and dividend received	311,778,754,499	346,082,237,196
30	Net cash flows from investing activities	(4,672,865,547,434)	(3,679,556,004,094)

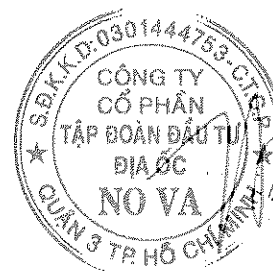
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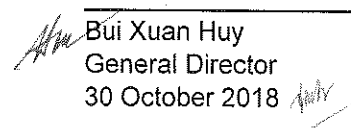
**CONSOLIDATED CASH FLOW STATEMENT**  
**(Indirect method)**  
**(continued)**

		For the period ended	
Code	Note	30/09/2018 VND	30/09/2017 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares and capital contribution	3,417,756,535,626	85,748,000,000
32	Capital withdrawal	(49,855,482,000)	(405,000,000,000)
33	Proceeds from borrowings	12,952,889,965,029	15,469,709,658,255
34	Repayments of borrowings	(11,345,569,804,829)	(11,469,801,391,906)
36	Dividends paid	(4,620,091,000)	(22,364,661,000)
40	Net cash flows from financing activities	4,970,601,122,826	3,658,291,605,349
50	Net (decrease)/increase in cash and cash equivalents	(1,781,936,878,738)	1,115,306,936,448
60	Cash and cash equivalents at beginning of the year	46,650,160,994,741	3,336,969,432,791
61	Effect of foreign exchange differences	1,023,983,739	(5,971,747)
70	Cash and cash equivalents at end of the period	4,869,248,099,742	4,452,270,397,492

  
 Nguyen Ngoc Bang  
 Preparer

  
 Tran Thi Thanh Van  
 Chief Accountant



  
 Bui Xuan Huy  
 General Director  
 30 October 2018

The notes on pages 10 to 68 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2018****1 GENERAL INFORMATION**

No Va Land Investment Group Corporation ("the Company") is a joint stock company which was established in SR Vietnam pursuant to Business Registration Certificate No. 054350 which was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 18 September 1992 and the 45th amended Business Registration Certificate No. 0301444753 dated 31 May 2018. The Company is formerly known as Thanh Nhon Trading Limited, which was established and operated under the Business Registration Certificate as above.

The Company's stock was officially listed on Ho Chi Minh City Stock Exchange ("HOSE") on 28 December 2016 with stock symbol "NVL" pursuant to Decision No. 500/QD-SGDHCM issued by General Director of HOSE on 19 December 2016.

The principal activities of the Group are residence project development; real estate trading; civil and industrial construction; providing design and management consultancy services; providing real estate brokerage services.

The normal business cycle of the Group's projects is within 36 months.

As at 30 September 2018, the Group had 1,293 employees (as at 31 December 2017: 1,581 employees).

As at 30 September 2018, the Group had 49 subsidiaries and 6 associates (as at 31 December 2017: 40 subsidiaries and 3 associates) as follows:

# NO VA LAND INVESTMENT GROUP CORPORATION

Form B 09a – DN/HN

## 1 GENERAL INFORMATION (continued)

No	Name	Location	The principal activity	30/09/2018		31/12/2017	
				% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries							
1	No Va Land Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	91.76	91.76	91.76	91.76
2	No Va Thao Dien Company Limited	Ho Chi Minh City	Real estate trading	99.98	99.98	99.99	99.99
3	No Va Festival Corporation	Ho Chi Minh City	Real estate trading	94.02	94.02	94.02	94.02
4	No Va Land Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
5	Nova Saigon Royal Investment Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
6	Sai Gon Housing And Infrastructure Development Joint Stock Company	Ho Chi Minh City	Real estate trading	98.00	98.00	98.00	98.00
7	Nova Lucky Palace Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
8	The Prince Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.81	99.81	99.81
9	Thanh Nhon Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.72	99.73	99.11	99.12
10	Nova Sagel Company Limited	Ho Chi Minh City	Real estate trading	82.66	82.66	73.99	74.00
11	Novaland Agent Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
12	Phuoc Long Investment and Development Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
13	Vung Tau Youth Hotel and Travel Joint Stock Company	Ho Chi Minh City	Real estate trading	65.00	65.00	65.00	65.00
14	Nova Richstar Joint Stock Company	Ho Chi Minh City	Real estate trading, factory and warehouse lease	99.97	99.99	99.98	99.99
15	Nova Nippon Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	99.98	99.98
16	Khai Hung Real Estate Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	99.99	99.99
17	Nova Nam A Company Limited	Ho Chi Minh City	Real estate trading	92.71	92.71	83.17	83.17
18	Nova Sasco Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
19	No Va My Dinh Land Joint Stock Company	Ho Chi Minh City	Real estate trading	99.99	99.99	99.98	99.98
20	Thanh Nhon Investment Real Estate Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	99.99	100.00
21	Nova An Phu Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	100.00	100.00
22	Nova Phuc Nguyen Real Estate Development and Investment Company Limited	Ho Chi Minh City	Real estate trading	99.89	99.89	99.89	99.89
23	Tuong Minh Investment and Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
24	The 21st Century International Development Company Limited	Ho Chi Minh City	Real estate trading	98.96	98.97	98.96	98.97
25	Phuong Dong Building Joint Stock Company	Ho Chi Minh City	Real estate trading	99.88	99.89	99.89	99.90

**NO VA LAND INVESTMENT GROUP CORPORATION**

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**1 GENERAL INFORMATION (continued)**

No	Name	Location	The principal activity	30/09/2018		31/12/2017	
				% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries (continued)							
26	Nova Rivergate Company Limited	Ho Chi Minh City	Real estate trading	99.77	99.77	99.77	99.77
27	Nova Princess Residence Joint Stock Company	Ho Chi Minh City	Real estate trading	99.90	99.90	99.90	99.90
28	Nha Rong Investment and Commercial Joint Stock Company	Ho Chi Minh City	Real estate trading	99.96	99.97	99.96	99.97
29	Mega Housing Joint Stock Company	Ho Chi Minh City	Real estate trading	98.60	98.60	98.60	98.60
30	Mega Tie Company Limited	Ho Chi Minh City	Real estate trading	98.59	99.99	98.59	99.99
31	Bach Hop Real Estate Company Limited	Ho Chi Minh City	Real estate trading	100.00	100.00	99.99	99.99
32	Phu Dinh Port Joint Stock Company	Ho Chi Minh City	Support activities related to transportation, real estate trading	83.45	83.45	83.45	83.45
33	Gia Duc Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
34	Sai Gon Golf Company Limited	Ho Chi Minh City	Real estate trading	99.73	100.00	99.12	100.00
35	Gia Phu Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.98	99.99
36	Nova Riverside Real Estate Company Limited	Ho Chi Minh City	Real estate trading	99.97	99.98	99.97	99.98
37	Ngoc Linh Hoa Joint Stock Company	Ho Chi Minh City	Real estate trading	99.83	99.83	99.83	99.83
38	Nova Property Management Company Limited	Ho Chi Minh City	Real estate trading	99.99	99.99	99.99	99.99
39	Merufa-Nova Company Limited	Ho Chi Minh City	Real estate trading	99.89	99.90	99.89	99.90
40	Nhat Hoa Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.98	99.81	99.98
41	Ky Nguyen Urban Development Joint Stock Company (previous name: Asean Urban Development Joint Stock Company)	Ho Chi Minh City	Real estate trading	51.00	51.00	-	-
42	Vuong Gia Real Estate Investment Joint Stock Company	Ho Chi Minh City	Real estate trading	99.81	99.83	-	-
43	Phu Tri Real Estate Investment Commercial Joint Stock Company	Ho Chi Minh City	Real estate trading	99.98	99.98	-	-
44	Phuc Binh Real Estate Company Limited	Ho Chi Minh City	Real estate trading	97.77	97.95	-	-
45	Sun City Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	97.86	98.97	-	-
46	Dinh Phat Real Estate Joint Stock Company	Ho Chi Minh City	Real estate trading	99.91	99.92	-	-
47	350 Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	99.95	99.99	-	-
48	CQ89 Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	99.54	99.59	-	-
49	Gia Huy Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	51.00	51.00	-	-

NO VA LAND INVESTMENT GROUP CORPORATION

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1 GENERAL INFORMATION (continued)

				30/09/2018		31/12/2017	
				% of ownership	% of voting right	% of ownership	% of voting right
No	Name	Location	The principal activity				
<b>II - Associates</b>							
1	Sai Gon Electronics and Industrial Service Joint Stock Company	Ho Chi Minh City	Electronic components and telecommunications trading	33.31	33.31	33.31	33.31
2	Ben Thanh Housing Service and Development Joint Stock Company	Ho Chi Minh City	Real estate trading	25.00	25.00	25.00	25.00
3	Thai Binh Real Estate Trading Joint Stock Company	Ho Chi Minh City	Real estate trading	44.00	44.00	-	-
4	234 Thanh My Loi Joint Stock Company	Ho Chi Minh City	Real estate trading	49.90	49.90	-	-
5	Dat Viet Development Joint Stock Company	Ho Chi Minh City	Real estate trading	49.49	49.50	-	-
6	Thanh My Loi Joint Stock Company	Ho Chi Minh City	Real estate trading	55.63	55.88	-	-
7	Sun City Real Estate Investment & Development Company Limited	Ho Chi Minh City	Real estate trading	-	-	49.00	49.00

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention.

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilized in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

### **2.2 Fiscal year**

The Group's fiscal year is from 1 January to 31 December.

### **2.3 Currency**

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognized in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Group regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Group holds the foreign currency accounts. Foreign exchange differences arising from these translations are recognized in the consolidated income statement.

### **2.4 Basis of consolidation**

The Group prepared its consolidated financial statements in accordance with Circular 202/2014/TT-BTC - Guiding on the preparation and presentation of consolidated financial statements issued by the Ministry of finance on 22 December 2014.

#### ***Subsidiaries***

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Basis of consolidation (continued)*****Subsidiaries (continued)***

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement.

Inter-company transactions, balances and unrealized gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

***Non-controlling transactions and interests***

The Group applies a policy for transactions with non-controlling interests as transactions with external parties to the Group.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

The divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received of divestment of the Group's interest in a subsidiary is recorded directly in the undistributed earnings under equity.

***Joint ventures and associates***

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity which is subject to joint control. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in joint ventures and associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in joint ventures and associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its joint ventures' and associates' post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in reserves is recognized in consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the joint venture or associate, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Basis of consolidation (continued)*****Joint ventures and associates (continued)***

Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealized gains and losses on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the joint ventures and associates. Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

**2.5 Goodwill**

Goodwill represents on the consolidated financial statements is initially measured at cost being the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/ associate at the date of acquisition. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit but not exceed 10 years. Goodwill on acquisitions of investments in joint ventures and associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of subsidiaries or associates, the attributable amount of unamortized goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortization less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

**2.6 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

**2.7 Trade receivables**

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Management of all outstanding amounts at the year end. Bad debts are written off when identified.

**2.8 Inventories**

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation are recognized as inventories. Inventories are stated at the lower of cost and net realizable value. The cost of inventories includes cost of land and construction costs of infrastructure and apartments, direct expenditures and other overhead expenses incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Provision is made, where necessary, for obsolete, slow-moving, defective inventory items and where cost is higher than net realizable values.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Investments****(a) Investments held to maturity**

Investments held to maturity are investments which the Group's Board of Management has positive intention and ability to hold until maturity.

Investments held to maturity include term deposits, loans held to maturity for interest earning and other held to maturity investments. These investments are accounted for at cost less provision.

Provision for diminution in value of investments held to maturity is made when there is evidence that part or the whole of the investment is uncollectible.

**(b) Lendings**

Lendings are contractual liabilities between the parties. Lendings are carried at cost less an estimate made for doubtful lendings based on a review by the Board of Management of all outstanding amounts at the period end.

**(c) Investments in joint ventures and associates**

Investments in joint ventures and associates are accounted using the equity method when preparing the consolidated financial statements (Note 2.4).

**(d) Investments in equity of other entities**

Investments in equity of other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are initially recorded at cost. Provision for diminution in value of these investments is made when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

**2.10 Fixed assets***Tangible fixed assets and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

*Depreciation/amortization*

Fixed assets are depreciated/amortized using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The estimated useful lives of the assets are as follows:

Buildings	5 - 52 years
Machinery	3 - 10 years
Motor vehicles	2 - 10 years
Office equipment	2 - 8 years
Software	2 - 10 years
Trade mark	3 years
Others	3 - 4 years

Land use rights with indefinite useful life are recorded at historical cost and are not amortized.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 Fixed assets (continued)***Disposals*

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognized as income or expense in the income statement.

*Construction in progress*

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost mainly includes software development, designing fees and construction costs of show house and office. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

**2.11 Leased assets**

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charge, are included in long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

**2.12 Investment properties**

Cost of an investment property means the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

*Depreciation and amortization*

Investment properties for leasing are depreciated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives of the investment properties are as follows:

Buildings

6 - 50 years

Land use rights with indefinite useful life are recorded at historical cost and are not amortized.

The Group does not depreciate the investment properties held for price appreciation. Impairment of investment properties held for price appreciation is recognized when there are objective evidences of the impairment in the value of investment properties compared to the market price and the impairment allowance can be estimated reliably. Impairment allowance is recorded to cost of sales.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.12 Investment properties (continued)***Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognized as income or expense in the income statement.

**2.13 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the balance sheet and are mainly sales commissions, interest expense from issuing bonds, and tools and equipment already put to use. Prepaid expenses are recorded at historical cost and allocated to expenses using the straight line method over the allocation period, except for sales commissions which are allocated to expenses on the basis of matching with revenue recorded when the Group has handed over significant risks and rewards of ownership to the buyers.

**2.14 Payables**

Classifications of payables are based on the natures of economic transactions occurred.

Payables are classified into long term and short term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

**2.15 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoice or sufficient records and documents. Accrued expenses are recorded as an expense in the reporting period.

**2.16 Borrowing costs**

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

**2.17 Borrowings**

Borrowings and finance lease liabilities with payment period of more than 12 months from the date of the financial statements are presented as long-term loans and finance lease liabilities. Borrowings and finance lease liabilities fall due for settlement within the next 12 months from the date of the financial statements are presented as short-term loans and finance lease liabilities. Borrowing expenses directly relates to the borrowings (other than payable interest), such as expenses for verification, audit, application... are recognised in the income statement when incurred. Where these expenses arise from borrowings for purposes of investment, construction or production of assets in progress, they shall be capitalized in accordance with the accounting policy stated in Note 2.16.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.18 Provisions**

Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognized for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

**2.19 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

The severance allowance is accrued at the end of the reporting period, on the basis that a half of an average monthly salary per each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in according with current regulations.

**2.20 Unearned revenue**

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting periods for asset leases. The Group records unearned revenue for the future obligations that the Group has to conduct.

**2.21 Convertible bonds**

Convertible bonds are bonds that may be converted into ordinary shares of the same issuer under the conditions identified in the bond issuance plan.

At initial recognition, the Group calculates and determines separately the value of the debt component and equity component of convertible bonds using the effective interest rate method. The debt component of convertible bonds is recorded as a liability; equity component (share options) of convertible bonds is recorded as an owners' equity item. Subsequently, the Group regularly records bond interest using the effective interest rate. The costs of issuing convertible bonds are deducted to the bond's liability component and allocated to financial expenses/capitalised on straight line basis.

At maturity, the equity component which is a share option is transferred to the share premium account regardless whether the bond holder exercised the option or not.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Owners' capital**

*Contributed capital* of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

*Share premium* is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

*Share conversion options* on bonds is the value of the equity component of the convertible bonds at the reporting date. The value is defined as the difference between the total sums received from the issuance of convertible bonds and the value of the debt component of convertible bonds. At initial recognition, the value of share conversion options on bonds is recorded separately in owners' capital. At the bond maturity, this option is transferred to share premium.

*Undistributed earnings* record the Group's results (profit, loss) after business income tax at the reporting date.

**2.23 Appropriation of net profit**

Net profit after income tax could be distributed to owners/ shareholders after approval at General Meeting, and after appropriation to other funds in accordance with the Group's charter and Vietnamese regulations.

The bonus and welfare fund is appropriated from the Group's net profit as proposed by the Board of Directors and subject to the shareholders' approval at the Annual General Meeting. This fund is set aside for rewarding, increasing general benefits and improving the welfare for officers and employees.

**2.24 Revenue recognition****(a) Revenue from sale of real estate**

Revenue from sale of real estate is recognised in the income statement when the real estate sale has been completed and the Group has handed over significant risks and rewards of ownership to the buyer. Revenue from the sale of real estate is recognised in the income statement when all five (5) following conditions are satisfied:

- The real estate has been completed, and the Group has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- The Group no longer holds the right to manage the real estate as real estate's owners or the right to control the real estate;
- The amount of revenue can be measured reliably;
- The Group has received or enables to receive economic benefits from the sales of the real estate; and
- The costs incurred or to be incurred in respect of the real estate can be measured reliably.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.24 Revenue recognition (continued)****(b) Rendering of services**

Revenue from rendering of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the sale of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**(c) Interest income**

Interest income is recognized on an earned basis.

**(d) Dividend income**

Income from dividend is recognized when the Group has established the receiving right from investees.

**2.25 Sales deductions**

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the period but are incurred after the balance sheet date but before the issuance of the consolidated financial statements are recorded as deduction of revenue of the period.

**2.26 Cost of sales**

Cost of goods sold or cost of services are cost of finished goods, merchandises, materials sold and cost of services rendered during the period, and recorded on the basis of matching with revenue and on prudent concept.

**2.27 Financial expenses**

Finance expenses are expenses incurred in the period for financial activities including interest expenses, expenses of borrowing and bond issuance, losses incurred when selling foreign currencies, losses from foreign exchange differences and payment discounts.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 Selling expenses**

Selling expenses represent expenses that are incurred in process of selling products, goods, providing services, which mainly include publicity, display, promotions, advertising expenses, and sale commissions.

**2.29 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance; medical insurance; labour union fees; unemployment insurance of administrative staff; expenses of office materials; tools and supplies; depreciation of fixed assets used for administration; provision for bad debts; outside services and other cash expenses.

**2.30 Dividend distribution**

Dividend of the Group is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's General Meeting of Shareholders.

**2.31 Current and deferred income tax**

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits and at the current year tax rates. Current and deferred tax should be recognized as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.32 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering of related party relationship, the Group considers the substance of the relationship not merely the legal form.

**2.33 Segment reporting**

A segment is a component which can be separated by the Group engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated financial statements in order to help users of consolidated financial statements understand and evaluate the Group's operations in a comprehensive way.

**2.34 Accounting estimate**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of assets and contingent liabilities at the date of the financial statements as well as the amounts of revenues and expenses for the reporting period. Although the accounting estimate is made all the knowledge of the Board of Management, the actual results may differ from those estimates.

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**3 BUSINESS COMBINATION****(a) Acquisition of Ky Nguyen Urban Development Joint Stock Company ("Ky Nguyen") (previous name: Asean Urban Development Joint Stock Company)**

On 6 February 2018, the Group completed the acquisition in order to obtain 51.00% interest in Ky Nguyen with a consideration of VND51,000,000,000.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	<b>Fair values recognized at acquisition date VND</b>
<b>Assets</b>	
Cash and cash equivalents	157,750,536
Short term receivables	99,882,255,288
Other assets	3,461,700
	<b>100,043,467,524</b>
<b>Liabilities</b>	-
<b>Total identifiable net assets</b>	<b>100,043,467,524</b>
Gain on bargain purchase	(22,168,437)
Non-controlling interests	(49,021,299,087)
Purchase consideration transferred	51,000,000,000
Cash acquired	(157,750,536)
<b>Net cash outflow on acquisition</b>	<b>50,842,249,464</b>

**3 BUSINESS COMBINATION (continued)**

- (b) **Acquisition of a group of companies: Vuong Gia Real Estate Investment Joint Stock Company ("Vuong Gia"), Phuc Binh Real Estate Company Limited ("Phuc Binh") and Sun City Real Estate Investment & Development Company Limited ("Sun City")**

On 8 May 2018, the Group completed the acquisition of 99.81% of voting shares of Vuong Gia with the consideration of VND1,078,591,500,000. Through this acquisition, the Group also controlled Phuc Binh and Sun City because Vuong Gia held 97.95% interest in Phuc Binh, Phuc Binh held 49.97% in Sun City, and previously the Group had owned 49.00% in Sun City.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	<b>Fair values recognized at acquisition date VND</b>
<b>Asset</b>	
Cash and cash equivalents	51,683,788,711
Short term receivables	1,037,360,578,765
Inventories	2,209,202,513,992
Other assets	1,307,379,325
	<b>3,299,554,260,793</b>
<b>Liabilities</b>	
Liabilities	894,506,741,686
Deferred tax liabilities	227,733,250,821
	<b>1,122,239,992,507</b>
<b>Total identifiable net assets</b>	<b>2,177,314,268,286</b>
Goodwill	505,654,783,391
Non-controlling interests	(60,996,434,575)
Purchase consideration transferred	2,621,972,617,102
<i>First consideration which measured at equity method at the date had control</i>	984,999,829,150
<i>Revaluation of the investments in associate at the acquisition date</i>	558,381,287,952
<i>Second consideration at the acquisition date</i>	1,078,591,500,000
Cash acquired	(51,683,788,711)
Accumulated profit after tax shared from associate	(29,499,829,150)
<b>Net cash outflow on acquisition</b>	<b>1,982,407,711,289</b>

The goodwill of VND505,654,783,391 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Vuong Gia, Phuc Binh and Sun City.

**3 BUSINESS COMBINATION (continued)****(c) Acquisition of Phu Tri Real Estate Investment Commercial Joint Stock Company ("Phu Tri")**

On 11 May 2018, the Group completed the acquisition in order to obtain 99.98% interest in Phu Tri with a consideration of VND1,124,775,000,000.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	<b>Fair values recognized at acquisition date VND</b>
<b>Asset</b>	
Cash and cash equivalents	401,867,295
Short term receivables	53,219,173,800
Inventories	1,688,750,143,271
Other assets	3,053,867,791
	<b>1,745,425,052,157</b>
<b>Liabilities</b>	
Liabilities	498,441,326,768
Deferred tax liabilities	190,800,000,000
	<b>689,241,326,768</b>
<b>Total identifiable net assets</b>	<b>1,056,183,725,389</b>
Goodwill	68,799,594,114
Non-controlling interests	(208,319,503)
Purchase consideration transferred	1,124,775,000,000
Cash acquired	(401,867,295)
<b>Net cash outflow on acquisition</b>	<b>1,124,373,132,705</b>

The goodwill of VND68,799,594,114 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Phu Tri.

**3 BUSINESS COMBINATION (continued)**

- (d) **Acquisition of a group of companies: Dinh Phat Real Estate Joint Stock Company ("Dinh Phat"), 350 Real Estate Investment & Development Company Limited ("350 Real Estate") and CQ89 Real Estate Investment & Development Company Limited ("CQ89")**

On 24 August 2018, the Group completed the acquisition of 99.91% of voting shares of Dinh Phat with the consideration of VND3,529,379,236,000. Through this acquisition, the Group also controlled 350 Real Estate and CQ89 because Dinh Phat held 99.90% interest in 350 Real Estate, 350 Real Estate held 99.59% interest in CQ89.

In addition, as CQ89 held 55.88% interest in Thanh My Loi Joint Stock Company ("Thanh My Loi") but has not controlled, Thanh My Loi also became the Group's associate through this acquisition.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	<b>Fair values recognized at acquisition date VND</b>
<b>Asset</b>	
Cash and cash equivalents	191,989,691,452
Short term receivables	964,866,989,539
Investment in associate	5,444,758,705,148
Other assets	12,164,135,083
	<b>6,613,779,521,222</b>
<b>Liabilities</b>	<b>6,171,006,559,500</b>
<b>Total identifiable net assets</b>	<b>442,772,961,722</b>
Goodwill	3,104,363,363,694
Non-controlling interests	(17,757,089,416)
Purchase consideration transferred	3,529,379,236,000
Cash acquired	(191,989,691,452)
<b>Net cash outflow on acquisition</b>	<b>3,337,389,544,548</b>

The goodwill of VND3,104,363,363,694 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Dinh Phat, 350 Real Estate and CQ89.

**3 BUSINESS COMBINATION (continued)****(e) Acquisition of Gia Huy Real Estate Investment and Development Company Limited ("Gia Huy")**

On 14 September 2018, the Group completed the acquisition in order to obtain 51.00% interest in Gia Huy with a consideration of VND290,190,000,000.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	<b>Fair values recognized at acquisition date VND</b>
<b>Asset</b>	
Cash and cash equivalents	291,633,414,917
Short term receivables	273,241,965,754
Long term investment	600,000,000
Deferred income tax assets	527,241,032
Other assets	560,893,364
	<b>566,563,515,067</b>
<b>Liabilities</b>	<b>19,800,000</b>
<b>Total identifiable net assets</b>	<b>566,543,715,067</b>
Goodwill	1,252,705,316
Non-controlling interests	(277,606,420,383)
Purchase consideration transferred	290,190,000,000
Cash acquired	(291,633,414,917)
<b>Net cash outflow on acquisition</b>	<b>(1,443,414,917)</b>

The goodwill of VND1,252,705,316 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Gia Huy.

**3 BUSINESS COMBINATION (continued)****(f) Acquisition and disposal of Sabetran Trung Thuy Real Estate Investment Joint Stock Company ("Sabetran Trung Thuy")**

On 6 February 2018, the Group completed the acquisition in order to obtain 99.71% interest in Sabetran Trung Thuy with a consideration of VND773,740,800,000.

This business combination impacts to the net asset of the Group at the acquisition date as follows:

	<b>Fair values recognized at acquisition date VND</b>
<b>Asset</b>	
Cash and cash equivalents	145,781,544
Short term receivables	111,342,904,232
Inventories	1,229,274,162,366
Other assets	3,678,880,746
	<b>1,344,441,728,888</b>
<b>Liabilities</b>	
Liabilities	473,426,112,135
Deferred tax liabilities	154,282,695,068
	<b>627,708,807,203</b>
<b>Total identifiable net assets</b>	<b>716,732,921,685</b>
Goodwill	56,919,104,347
Non-controlling interests	88,773,968
Purchase consideration transferred	773,740,800,000
Cash acquired	(145,781,544)
<b>Net cash outflow on acquisition</b>	<b>773,595,018,456</b>

The goodwill of VND56,919,104,347 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Group and Sabetran.

On 16 April 2018, the Group disposed the entire 99.71% equity interest in Sabetran Trung Thuy with a total consideration of VND833,908,757,000. The profit of VND61,630,398,838 which is the difference between the consideration and the carrying value of net assets transferred, was recognised in the consolidated income statement (Note 32). The disposal of Sabetran Trung Thuy is to ensure the consistency in the Group business development strategy but not with the intention of buying to sell during the period.



**4 CASH AND CASH EQUIVALENTS**

	<b>30/09/2018</b>	<b>31/12/2017</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	1,077,049,385	1,720,245,875
Cash at bank	424,634,283,111	1,196,390,638,971
Cash equivalents (*)	4,443,536,767,246	5,452,050,109,895
	<u>4,869,248,099,742</u>	<u>6,650,160,994,741</u>

(\*) Cash equivalents are term deposits in Vietnamese Dong at commercial banks with original maturity of 3 months or less and earn an interest rate from 2.5% to 6.0% per annum (at 31 December 2017: from 2.3% to 6.0% per annum).

As at 30 September 2018, cash and cash equivalents of VND932,616 million (at 31 December 2017: VND496,752 million) were pledged as collateral assets for the bank loans and VND144,359 million (at 31 December 2017: VND1,350,972 million) were managed by bank under purpose of borrowings for each project.

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5 INVESTMENTS

(a) Investments held to maturity

	30/09/2018			31/12/2017		
	Cost VND	Provision VND	Carrying value VND	Cost VND	Provision VND	Carrying value VND
Term deposits	80,577,276,622	-	80,577,276,622	512,509,850,676	-	512,509,850,676

The term deposits represent bank deposits in VND with original maturity of more than three months and the remaining term not exceed twelve months at the commercial banks with interest from 4.8% to 8.5% per annum (as at 31 December 2017: from 5.0% to 9.0% per annum).

As at 30 September 2018, the term deposits of VND1,842 million (as at 31 December 2017: VND11,671 million) were pledged as collateral assets and the term deposits of VND2,664 million (as at 31 December 2017: nil) were managed by bank under purpose of borrowings for each project.

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**5 INVESTMENTS (continued)**

**(b) Long term investments**

*Investments in associates and joint ventures*

Name	The principal activity	30/09/2018		31/12/2017	
		Cost VND	Fair value VND	Cost VND	Fair value VND
Ben Thanh Housing Service and Development Joint Stock Company	Real estate trading	68,679,684,669	(*)	65,803,452,997	(*)
Sai Gon Electronics and Industrial Service Joint Stock Company	Electronic components and telecommunications trading	3,207,824,048	(*)	4,566,153,588	(*)
Thai Binh Real Estate Trading Joint Stock Company (i)	Real estate trading	556,124,271,893	(*)	-	-
234 Thanh My Loi Joint Stock Company (ii)	Real estate trading	9,510,582,789	(*)	-	-
Dat Viet Development Joint Stock Company (iii)	Real estate trading	1,813,408,840,009	(*)	-	-
Thanh My Loi Joint Stock Company (iv)	Real estate trading	5,444,758,705,148	(*)	-	-
Sun City Real Estate Investment & Development Company Limited	Real estate trading	-	-	972,603,328,661	(*)
		<u>7,895,689,908,556</u>		<u>1,042,972,935,246</u>	

(i) On 30 March 2018, the Group contributed capital to Thai Binh Real Estate Trading Joint Stock Company ("Thai Binh") by the total contribution of VND130,000,000,000, to obtain 23.27% interest in Thai Binh. The excess of the Group's share of the fair value of Thai Binh's identifiable net asset over the cost of the investment which is VND226,539,427,208 was recognised as income in the period (Note 34). Subsequently, at 20 July 2018, the Group contributed additional capital to Thai Binh of VND200,000,000,000, increased the interest rate to be 44.00%.

(ii) According to Decision No. 15/2018-QĐ.HDQT-NVLG dated 8 February 2018, the Group will contribute VND99,800,000,000, accounting for 49.9% of the total chartered capital to establish 234 Thanh My Loi Joint Stock Company. 234 Thanh My Loi Joint Stock Company was established on 9 February 2018.

(iii) On 26 September 2018, the Group contributed capital to Dat Viet Development Joint Stock Company ("Dat Viet") by the total contribution of VND1,000,018,000,000, to obtain 49.49% interest in Dat Viet. The excess of the Group's share of the fair value of Dat Viet's identifiable net asset over the cost of the investment which is VND813,390,840,009 was recognised as income in the period (Note 34).

(iv) Through the acquisition of the group companies Dinh Phat, 350 Real Estate and CQ89 (Note 3(d)), Thanh My Loi Joint Stock Company became the Group's associate with the interest rate of 55.63%.

**5 INVESTMENTS (continued)****(b) Long term investments (continued)***Investments in associates and joint ventures (continued)*

(\*) As at 30 September 2018 and 31 December 2017, the Group was not able to disclose the fair value of these investments as they have not been listed in the stock market. As a result, their fair value information was not available.

Movements in the investments in associates during the period were as follows:

	<b>For the period ended 30/09/2018 VND</b>	<b>For the year ended 31/12/2017 VND</b>
Beginning of the period	1,042,972,935,246	371,670,632,914
Additional investments in the period	1,339,818,000,000	1,315,207,564,660
Increase due to acquisition during the period	5,444,758,705,148	-
Profit sharing from investments in associates	1,054,940,097,312	12,079,426,593
Transfers from associates to subsidiaries	(984,999,829,150)	(643,454,353,318)
Dividend received	(1,800,000,000)	(2,400,000,000)
Disposals	-	(10,130,335,603)
End of the period	<u>7,895,689,908,556</u>	<u>1,042,972,935,246</u>

**6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>30/09/2018 VND</b>	<b>31/12/2017 VND</b>
<b>Trade receivables from sales of real estate</b>		
Third parties (*)	483,645,523,614	308,351,265,168
Related parties (Note 42(b))	40,129,416,425	40,183,233,814
<b>Trade receivables from rendering services</b>		
Third parties (*)	74,913,819,914	42,181,367,389
Related parties (Note 42(b))	-	-
	<u>598,688,759,953</u>	<u>390,715,866,371</u>

(\*) As at 30 September 2018 and 31 December 2017, there were no third party customers accounting for 10% or more of total the short-term trade accounts receivable balance.

As at 30 September 2018 and 31 December 2017, there was no balance of short term trade accounts receivable which was past due or not past due but doubtful.

**7 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	30/09/2018 VND	31/12/2017 VND
<b>Related parties</b>	-	-
<b>Third parties</b>		
Silver Field International Trading Company Limited	500,000,000,000	500,000,000,000
Sai Gon General Services Joint Stock Company	323,024,476,227	320,189,629,546
Imperia An Phu Company Limited	200,000,000,000	200,000,000,000
Others	675,978,347,005	751,154,844,734
	<u>1,699,002,823,232</u>	<u>1,771,344,474,280</u>

As at 30 September 2018 and 31 December 2017, there was no balance of short term prepayments to suppliers which was past due or not past due but doubtful.

**8 LENDING**

	30/09/2018 VND	31/12/2017 VND
<b>(a) Short-term lending</b>		
Third parties (*)	690,253,622,349	582,185,206,171
Related parties (Note 42(b))	19,520,000,000	43,420,000,000
	<u>709,773,622,349</u>	<u>625,605,206,171</u>
<b>(b) Long-term lending</b>		
Third parties	-	449,644,400,000
	<u>709,773,622,349</u>	<u>1,075,249,606,171</u>

(\*) These are the short-term lendings to third parties which are unsecured and earn interest at rate from 5.0% to 13.0% per annum (at 31 December 2017: from 5.0% to 10.9% per annum). The maturity of these lendings are from 5 to 12 months.

As at 30 September 2018 and 31 December 2017, there was no balance of short-term and long-term lending which was past due or not past due but doubtful.

**9 OTHER RECEIVABLES****(a) Other short-term receivables**

	30/09/2018		31/12/2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Project development and investment co-operation (*)	429,684,000,000	-	1,831,712,600,000	-
Deposits for the acquisition of shares (**)	322,640,000,000	-	49,000,000,000	-
Advances for projects	391,088,710,583	-	351,489,334,396	-
Deposits for the contract related to investment consultancy service (***)	317,735,776,709	-	406,589,287,268	-
Deposits for projects	106,874,918,392	-	106,874,918,392	-
Interest receivable from term deposits, lending and investment co-operation	81,453,572,265	-	360,154,008,671	-
Others	127,811,378,255	-	104,679,205,467	-
	<u>1,777,288,356,204</u>		<u>3,210,499,354,194</u>	

**9 OTHER RECEIVABLES (continued)****(a) Other short-term receivables (continued)**

In which, the balances with related parties and third parties were as follows:

	<u>30/09/2018</u>		<u>31/12/2017</u>	
	<u>Cost</u>	<u>Provision</u>	<u>Cost</u>	<u>Provision</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Third parties	1,664,318,725,632	-	3,146,763,909,150	-
Related parties (Note 42(b))	112,969,630,572	-	63,735,445,044	-

(\*) This balance represents project development and investment co-operation with partners. These amounts will be repaid in full to the Group at the end of the projects. The Group will receive profits at the end of the projects in accordance with agreed sharing ratio in the agreement.

(\*\*) These deposits for share acquisition of companies which the Group is investing, these deposits will be recognised as investments in subsidiaries or associates when the Group completes share transfers.

(\*\*\*) This balance represents deposits as an amount guaranteed for the investment consultancy agreements with partners. According to the agreements, the partners will consult, identify and select appropriate projects, consulting fee will be paid based on the percentage of successful transactions.

**(b) Other long-term receivables**

	<u>30/09/2018</u>		<u>31/12/2017</u>	
	<u>Cost</u>	<u>Provision</u>	<u>Cost</u>	<u>Provision</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Deposits for projects (*)	184,326,199,540	-	186,484,661,758	-
Others	24,884,657,450	-	17,318,704,984	-
	<u>209,210,856,990</u>	<u>-</u>	<u>203,803,366,742</u>	<u>-</u>

In which, the balances with related parties and third parties were as follows:

Third parties	203,543,317,935	-	202,404,590,742	-
Related parties (Note 42(b))	5,667,539,055	-	1,398,776,000	-

(\*) This balance represents long-term deposit at the Department of Planning and Investment as an amount guaranteed for performing the projects.

As at 30 September 2018 and 31 December 2017, there was no balance of other short-term and long-term receivables which was past due or not past due but doubtful.

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10 DOUBTFUL DEBTS

As at 30 September 2018 and 31 December 2017, there was no balance of receivables which was past due or not past due but doubtful.

11 INVENTORIES

(a) Inventories

	30/09/2018		31/12/2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Properties in construction progress (i)	24,500,744,766,431	-	24,446,674,606,321	-
Properties in construction completion (ii)	8,310,942,245,235	(2,140,855,974)	2,449,747,339,621	(3,276,069,352)
Property merchandises	170,312,078,678	(2,877,744,334)	226,949,654,864	(4,245,610,900)
Tools and equipments	11,526,455,297	-	12,946,946,857	-
	32,993,525,545,641	(5,018,600,308)	27,136,318,547,663	(7,521,680,252)
Provision for decline in value of inventories	(5,018,600,308)		(7,521,680,252)	
	32,988,506,945,333		27,128,796,867,411	

**11 INVENTORIES (continued)**

Movements in the provision for decline in value of inventories during the period were as follows:

	For the period ended 30/09/2018 VND	For the year ended 31/12/2017 VND
Beginning of the period	(7,521,680,252)	(5,395,666,184)
Increase	-	(4,846,915,964)
Reversal	2,503,079,944	2,720,901,896
End of the period	<u>(5,018,600,308)</u>	<u>(7,521,680,252)</u>

(i) As at 30 September 2018, the properties in construction progress mainly include land costs, consulting and designing fees, construction costs and other costs relating to the projects.

(ii) As at 30 September 2018, the balance presents the properties in construction completion for sale.

As at 30 September 2018, the Group's inventories of VND6,856,503 million (as at 31 December 2017: VND7,406,736 million) were pledged as collateral assets for loans.

Total amount of interest expenses capitalised into value of inventories during the period ended 30 September 2018 was VND483,554 million (period ended 30 September 2017: VND162,067 million).

**(b) Long-term work in progress**

The balance represents the value of properties in construction progress of projects located in Ho Chi Minh City. These projects are in progress of completing the paper works due to changes in usage purpose.

**12 PREPAID EXPENSES****(a) Short-term prepaid expenses**

	30/09/2018 VND	31/12/2017 VND
Tools and equipments	692,868,109	1,072,191,258
Deferred expenses	185,000,128,616	102,952,441,928
	<u>185,692,996,725</u>	<u>104,024,633,186</u>



**12 PREPAID EXPENSES (continued)****(b) Long-term prepaid expenses**

	<b>30/09/2018</b>	<b>31/12/2017</b>
	<b>VND</b>	<b>VND</b>
Deferred expenses	274,454,621,151	274,296,639,404
Prepayment expenses for parking lot	115,160,516,343	116,901,818,182
Compensation cost for land clearance	42,698,454,479	41,932,114,168
Tools and equipments	2,011,806,935	7,924,870,527
Interest expenses from issuing bonds	-	8,296,729,396
	<u>434,325,398,908</u>	<u>449,352,171,677</u>

Movements in long-term prepaid expenses during the period were as follows:

	<b>For the period ended 30/09/2018</b>	<b>For the year ended 31/12/2017</b>
	<b>VND</b>	<b>VND</b>
Beginning of the period	449,352,171,677	288,077,446,389
Purchase	187,468,299,611	308,946,758,502
Transferred from construction in progress	-	27,130,420,628
Increase from acquisition of subsidiaries	65,658,719	117,203,900,546
Allocation	(202,560,731,099)	(235,203,626,186)
Decrease from disposal of subsidiaries	-	(56,802,728,202)
End of the period	<u>434,325,398,908</u>	<u>449,352,171,677</u>

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## 13 TANGIBLE FIXED ASSETS

	Buildings VND	Plants and machinery VND	Motor vehicles VND	Office equipment VND	Other fixed assets VND	Total VND
<b>Historical cost</b>						
As at 1 January 2018	250,390,283,446	18,246,571,203	114,021,819,387	28,168,639,962	341,609,091	411,168,923,089
Reclassification	(616,000,000)	(3,121,058,101)	-	3,737,058,101	-	-
New purchases	-	80,605,000	2,194,041,818	1,370,070,206	-	3,644,717,024
Increase from acquisition of subsidiaries	-	986,891,455	-	-	191,257,436	1,178,148,891
Transfer from construction in progress	-	-	60,984,893,236	-	-	60,984,893,236
Disposals	(12,028,092,725)	(780,857,070)	(3,861,528,427)	(46,465,080)	-	(16,716,943,302)
As at 30 September 2018	237,746,190,721	15,412,152,487	173,339,226,014	33,229,303,189	532,866,527	460,259,738,938
<b>Accumulated depreciation</b>						
As at 1 January 2018	(87,133,387,788)	(9,724,288,173)	(20,731,612,447)	(11,453,533,054)	(280,502,507)	(129,323,323,969)
Reclassification	616,000,000	(616,000,000)	-	-	-	-
Charge for the period	(7,461,614,645)	(1,344,822,743)	(16,897,763,777)	(4,890,868,103)	(39,740,753)	(30,634,810,021)
Increase from acquisition of subsidiaries	-	(986,891,455)	-	-	(191,257,436)	(1,178,148,891)
Disposals	4,909,584,553	501,987,528	683,425,494	39,092,179	-	6,134,089,754
As at 30 September 2018	(89,069,417,880)	(12,170,014,843)	(36,945,950,730)	(16,305,308,978)	(511,500,696)	(155,002,193,127)
<b>Net book value</b>						
As at 1 January 2018	163,256,895,658	8,522,283,030	93,290,206,940	16,715,106,908	61,106,584	281,845,599,120
As at 30 September 2018	148,676,772,841	3,242,137,644	136,393,275,284	16,923,994,211	21,365,831	305,257,545,811

As at 30 September 2018, cost of fully depreciated fixed assets but still in use was VND19,856 million (as at 31 December 2017: VND17,343 million).

There were no tangible fixed assets pledged as collateral assets for bank loans.

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14 INTANGIBLE FIXED ASSETS

	Land use rights VND	Trade mark VND	Software VND	Total VND
<b>Historical cost</b>				
As at 1 January 2018	34,880,498,260	30,000,000	15,634,334,283	50,544,832,543
New purchases	-	-	1,791,037,851	1,791,037,851
Transfer from construction in progress	-	-	2,987,611,876	2,987,611,876
As at 30 September 2018	34,880,498,260	30,000,000	20,412,984,010	55,323,482,270
<b>Accumulated amortization</b>				
As at 1 January 2018	-	(30,000,000)	(5,750,992,301)	(5,780,992,301)
Charge for the period	-	-	(3,258,319,863)	(3,258,319,863)
As at 30 September 2018	-	(30,000,000)	(9,009,312,164)	(9,039,312,164)
<b>Net book value</b>				
As at 1 January 2018	34,880,498,260	-	9,883,341,982	44,763,840,242
As at 30 September 2018	34,880,498,260	-	11,403,671,846	46,284,170,106

As at 30 September 2018, cost of fully depreciated intangible fixed assets but still in use was VND3,071 million (As at 31 December 2017: VND351 million).

There were no intangible fixed assets pledged as collateral assets for bank loans.

## 15 INVESTMENT PROPERTIES

	Land use rights VND	Buildings VND	Total VND
<b>Historical cost</b>			
As at 1 January 2018	1,088,015,804,724	1,967,616,453,552	3,055,632,258,276
Transfers from inventories	-	571,074,449,912	571,074,449,912
Disposal	(7,693,482,739)	(11,857,287,675)	(19,550,770,414)
Transfers to inventories	-	(7,537,450,150)	(7,537,450,150)
As at 30 September 2018	<u>3,553,867,631,496</u>	<u>2,519,296,165,639</u>	<u>3,599,618,487,624</u>
<b>Accumulated amortization</b>			
As at 1 January 2018	-	(111,015,724,077)	(111,015,724,077)
Charge for the period	-	(36,129,070,163)	(36,129,070,163)
Disposal	-	3,321,305,910	3,321,305,910
Transfers to inventories	-	398,078,648	398,078,648
As at 30 September 2018	<u>-</u>	<u>(143,425,409,682)</u>	<u>(143,425,409,682)</u>
<b>Net book value</b>			
As at 1 January 2018	<u>1,088,015,804,724</u>	<u>1,856,600,729,475</u>	<u>2,944,616,534,199</u>
As at 30 September 2018	<u>3,553,867,631,496</u>	<u>2,375,870,755,957</u>	<u>3,456,193,077,942</u>

As at 30 September 2018, investment properties pledged as security for bank borrowings granted to the Group was VND2,178,935 million (as at 31 December 2017: VND1,271,830 million).

## 16 CONSTRUCTION IN PROGRESS

	30/09/2018 VND	31/12/2017 VND
Purchase of fixed assets	107,696,495,609	89,582,304,871
Office renovation	25,072,433,067	20,731,302,400
Showhouses	20,223,429,150	20,211,429,150
Others	21,517,373,436	6,371,405,943
	<u>174,509,731,262</u>	<u>136,896,442,364</u>

**16 CONSTRUCTION IN PROGRESS (continued)**

Movement of construction in progress during the period were as below:

	For the period ended 30/09/2018 VND	For the year ended 31/12/2017 VND
Beginning of the period	136,896,442,364	51,379,788,428
Increase in the period	101,900,164,301	176,621,475,784
Transfer to tangible fixed asset (Note 13)	(60,984,893,236)	(38,303,709,498)
Transfer to intangible fixed asset (Note 14)	(2,987,611,876)	(3,057,100,000)
Transfer to inventories	-	(1,380,309,663)
Transfer to long-term prepaid expense	-	(27,130,420,628)
Transfer to short-term prepaid expense	(314,370,291)	(3,835,466,021)
Other decreases	-	(17,397,816,038)
End of the period	<u>174,509,731,262</u>	<u>136,896,442,364</u>

**17 GOODWILL**

	For the period ended 30/09/2018 VND	For the year ended 31/12/2017 VND
Beginning of the period	2,406,227,189,374	2,217,606,029,051
Increase in the period (*)	3,736,989,550,862	649,355,733,731
Decrease from disposal of subsidiaries	(55,496,126,738)	(54,862,071,860)
Decrease from merging of subsidiaries	-	(146,640,884,246)
Amortization	(262,739,185,236)	(259,231,617,302)
End of the period	<u>5,824,981,428,262</u>	<u>2,406,227,189,374</u>

(\*) Details of goodwill arising from business combinations during the period and estimated allocation time are as below:

	Goodwill VND	Allocated time Year
Sabetran Trung Thuy Real Estate Investment Joint Stock Company	56,919,104,347	10
Phu Tri Real Estate Investment Commercial Joint Stock Company	68,799,594,114	10
Sun City Real Estate Investment & Development Company Limited	505,654,783,391	10
Dinh Phat Real Estate Joint Stock Company	2,575,321,834,035	10
350 Real Estate Investment & Development Company Limited	20,685,622,622	10
CQ89 Real Estate Investment & Development Company Limited	508,355,907,037	10
Gia Huy Real Estate Investment and Development Company Limited	1,252,705,316	10
	<u>3,736,989,550,862</u>	

Details of goodwill arising from business combinations are presented in Note 3.

**18 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	30/09/2018 VND	31/12/2017 VND
<b>Third parties</b>		
Nova Homes Trading Joint Stock Company	628,165,363,519	336,914,898,682
Henry Enterprise Group Limited	619,680,395,588	619,680,395,588
Hoa Binh Construction Group Joint Stock Company	139,603,937,530	493,562,576,250
Others (*)	980,474,879,517	1,198,175,647,275
<b>Related parties (Note 42(b))</b>	-	-
	<u>2,367,924,576,154</u>	<u>2,648,333,517,795</u>

As at 30 September 2018 and 31 December 2017, the Company had no short-term trade accounts payable overdue.

(\*) As at 30 September 2018 and 31 December 2017, there were no suppliers accounting from 10% or more of the total balance.

**19 SHORT-TERM ADVANCES FROM CUSTOMERS**

The short-term advances from customers mainly include advances from customers, prepaid amounts or deposits of customers according to the property transfer agreements of the Group's projects. The amount is recognized as revenue when the Group completes and hands over apartments to customers.

As at 30 September 2018 and 31 December 2017, there were no customers accounting from 10% or more of the total balance.

**20 TAXES AND OTHER PAYABLES TO THE STATE BUDGET****(a) Taxes and other receivables from the State Budget**

	30/09/2018 VND	31/12/2017 VND
VAT to be reclaimed	677,724,935,789	649,739,747,874
Business income tax temporarily paid 1%	116,949,405,411	62,481,003,869
Overpaid business income tax	62,043,669,625	60,027,108,901
Others	1,121,027,046	60,745,828
	<u>857,839,037,871</u>	<u>772,308,606,472</u>

**(b) Taxes and other payables to the State Budget**

	30/09/2018 VND	31/12/2017 VND
Business income tax	162,068,034,044	207,324,266,996
Value added tax on domestic sales	15,430,461,287	120,814,880,491
Personal income tax	5,594,223,834	12,962,075,302
Land use tax	-	242,500,000,000
Others	3,246,244,444	5,060,798,643
	<u>186,338,963,609</u>	<u>588,662,021,432</u>

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20 TAXES AND OTHER PAYABLES TO THE STATE BUDGET (continued)

The movement of tax and other payables to the State Budget during the period were as below:

	As at 01/01/2018 VND	Arose during the period VND	Netted off VND	Settled during the period VND	As at 30/09/2018 VND
<b>(a) Tax receivables</b>					
VAT to be reclaimed	(649,739,747,874)	(618,887,788,142)	590,902,600,227	-	(677,724,935,789)
Business income tax temporary paid 1%	(62,481,003,869)	28,235,177	29,347,965,710	(83,844,602,429)	(116,949,405,411)
Overpaid business income tax	(60,027,108,901)	4,372,026,239	(6,062,733,717)	(325,853,246)	(62,043,669,625)
Others	(60,745,828)	(1,093,491,097)	33,209,879	-	(1,121,027,046)
<b>Total</b>	<b>(772,308,606,472)</b>	<b>(615,581,017,823)</b>	<b>614,221,042,099</b>	<b>(84,170,455,675)</b>	<b>(857,839,037,871)</b>
<b>(b) Tax payables</b>					
Business income tax	207,324,266,996	468,396,794,592	(23,285,231,993)	(490,367,795,551)	162,068,034,044
Value added tax on domestic sales	120,814,880,491	895,346,186,560	(590,902,600,227)	(409,828,005,537)	15,430,461,287
Personal income tax	12,962,075,302	64,370,862,944	(31,109,879)	(71,707,604,533)	5,594,223,834
Land use tax	242,500,000,000	49,128,651,664	-	(291,628,651,664)	-
Others	5,060,798,643	25,758,433,632	(2,100,000)	(27,570,887,831)	3,246,244,444
<b>Total</b>	<b>588,662,021,432</b>	<b>1,503,000,929,392</b>	<b>(614,221,042,099)</b>	<b>(1,291,102,945,116)</b>	<b>186,338,963,609</b>

**21 PAYABLES TO EMPLOYEES**

	30/09/2018 VND	31/12/2017 VND
Salary	643,239,292	1,449,930,286
13th month salary, bonus	126,712,395,270	113,499,731,408
	<u>127,355,634,562</u>	<u>114,949,661,694</u>

**22 SHORT-TERM ACCRUED EXPENSES**

	30/09/2018 VND	31/12/2017 VND
Construction costs	421,230,839,115	552,464,269,227
Interest expenses on borrowings and investment co-operation	750,922,679,097	522,156,467,006
Others	224,289,632,893	307,965,638,882
	<u>1,396,443,151,105</u>	<u>1,382,586,375,115</u>

In which, the balances with related parties and third parties were as follows:

Third parties	1,392,331,507,268	1,382,461,474,765
Related parties (Note 42(b))	4,111,643,837	124,900,350
	<u>1,396,443,151,105</u>	<u>1,382,586,375,115</u>

**23 OTHER PAYABLES****(a) Other short-term payables**

	30/09/2018 VND	31/12/2017 VND
Project development and investment co-operation (Note 23(b)(*))	2,452,400,000,000	735,820,000,000
- Third parties	2,029,400,000,000	735,820,000,000
- Related parties (Note 42(b))	423,000,000,000	-
Maintenance fund payables (i)	412,820,201,231	358,058,792,927
Deposits for purchase of properties	186,064,418,243	11,200,981,253
Others	274,761,495,812	213,920,081,628
	<u>3,326,046,115,286</u>	<u>1,318,999,855,808</u>

- (i) The maintenance fund payables represent 2% of the total net value of the contracts which the Group collected from the residents for the maintenance of apartments. This amount will be transferred to the Residence Committee when the Residence Committee is established.

**(b) Other long-term payables**

	30/09/2018 VND	31/12/2017 VND
Project development and investment co-operation (*)	863,400,000,000	1,660,275,400,000
Others	3,760,179,095	3,753,825,075
	<u>867,160,179,095</u>	<u>1,664,029,225,075</u>

- (\*) The balance represents the capital contribution for project development and investment cooperation from third parties. The Group is obliged to refund this amount in full to counter parties at the end of the projects. The Group shall share profits arising from the projects in accordance with agreed sharing ratio in agreements at the end of the projects. In addition, for several contract, the Group shall pay fixed interest to partners.



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24 BORROWINGS

	As at 01/01/2018 VND	Increase VND	Decrease VND	Current portion of long-term borrowings VND	As at 30/09/2018 VND
<b>(a) Short-term borrowings</b>					
- Bank loans (*)	2,400,572,207,620	939,780,014,763	(2,502,472,207,620)	740,464,933,376	1,578,344,948,139
- Bonds issuance (**)	1,900,000,000,000	800,000,000,000	(2,380,000,000,000)	4,645,000,000,000	4,965,000,000,000
- Borrowings from third parties (***)	3,448,306,773,026	5,119,341,250,000	(5,902,438,597,209)	426,356,250,000	3,091,565,675,817
- Borrowings from related parties (Note 42(b))	-	208,600,000,000	(107,100,000,000)	-	101,500,000,000
- Bond issuance cost	-	(18,811,363,636)	32,606,190,132	(39,664,808,844)	(25,869,982,348)
	<b>7,748,878,980,646</b>	<b>7,048,909,901,127</b>	<b>(10,859,404,614,697)</b>	<b>5,772,156,374,532</b>	<b>9,710,540,641,608</b>
<b>(b) Long-term borrowings</b>					
- Bank loans (*)	1,841,758,940,112	3,307,987,366,753	(453,559,000,000)	(740,464,933,376)	3,955,722,373,489
- Bonds issuance (**)	5,566,000,000,000	4,139,200,000,000	-	(4,645,000,000,000)	5,060,200,000,000
- Borrowings from third parties (***)	2,841,875,000,000	1,195,668,750,000	-	(426,356,250,000)	3,611,187,500,000
- Bond issuance cost	(48,760,194,439)	(135,325,686,098)	17,636,949,708	39,664,808,844	(126,784,121,985)
	<b>10,200,873,745,673</b>	<b>8,507,530,430,655</b>	<b>(435,922,050,292)</b>	<b>(5,772,156,374,532)</b>	<b>12,500,325,751,504</b>

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**24 BORROWINGS (continued)**

(\*) Details of closing balance of bank loans were as follows:

	30/09/2018 VND	31/12/2017 VND
<b>(a) Short-term borrowings</b>		
Nam A Commercial Joint Stock Bank - Dong Nai Branch (i)	250,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (ii)	227,857,500,000	34,140,000,000
Maybank International Labuan Branch (ii)	136,714,500,000	20,484,000,000
The Shanghai & Savings Bank - Offshore Banking (ii)	45,571,500,000	6,828,000,000
Chailease International Financial Service (ii)	30,381,000,000	4,552,000,000
Malayan Banking Berhad (Maybank) - Ho Chi Minh City Branch (ii)	14,456,000,000	2,224,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Saigon South Branch (iii)	226,342,014,763	73,542,207,620
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh Branch (iv)	210,000,000,000	360,000,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank - District 4 Branch (v)	151,731,433,376	-
Vietnam Prosperity Joint Stock Commercial Bank (vi)	142,500,000,000	-
Vietnam Prosperity Joint Stock Commercial Bank - Ho Chi Minh City Branch (vii)	94,666,000,000	100,002,000,000
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (viii)	48,125,000,000	-
Vietnam Prosperity Joint Stock Commercial Bank	-	897,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank	-	451,800,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank	-	250,000,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch	-	200,000,000,000
	<u>1,578,344,948,139</u>	<u>2,400,572,207,620</u>
<b>(b) Long-term borrowings</b>		
Vietnam Prosperity Joint Stock Commercial Bank (ix)	1,474,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade HCM Branch (iv)	976,433,940,112	846,433,940,112
Vietnam Prosperity Joint Stock Commercial Bank (vi)	617,500,000,000	-
Kien Long Commercial Joint Stock Bank - Sai Gon Branch (viii)	317,625,000,000	-
Sai Gon Thuong Tin Commercial Joint Stock Bank - Transaction Center (x)	208,441,000,000	232,000,000,000
Sai Gon Thuong Tin Commercial Joint Stock Bank - District 4 Branch (v)	151,731,433,377	-
Vietnam Joint Stock Commercial Bank for Industry and Trade Filiale Deutschland (ii)	105,165,000,000	306,885,000,000
Maybank International Labuan Branch (ii)	63,099,000,000	184,131,000,000
The Shanghai & Savings Bank - Offshore Banking (ii)	21,033,000,000	61,377,000,000
Chailease International Financial Service (ii)	14,022,000,000	40,918,000,000
Malayan Banking Berhad (Maybank) - Ho Chi Minh City Branch (ii)	6,672,000,000	20,016,000,000
Vietnam Prosperity Joint Stock Commercial Bank - Ho Chi Minh City Branch (vii)	-	99,998,000,000
Tien Phong Commercial Joint Stock Bank - Sai Gon Branch	-	50,000,000,000
	<u>3,955,722,373,489</u>	<u>1,841,758,940,112</u>

**24 BORROWINGS (continued)**

(i) These are borrowings in Vietnamese Dong under a credit facility of VND250,000,000,000 with a term of 18 days to finance working capital at the interest rate of 7.1% per annum. These borrowings are secured by the term deposit at the lending bank. At the date of these consolidated financial statements, these borrowings have been fully settled.

(ii) This is syndicated loan between Malayan Banking Berhad (Maybank) - Ho Chi Minh Branch, Maybank International Labuan Branch, Vietinbank Filiale Deutschland, The Shanghai & Savings Bank - Offshore Banking and Chailease International Financial Service. Maybank – Ho Chi Minh Branch is the agent and representative to receive and deal with collaterals. Loan amount is USD30 million, in which with respective parties as Maybank – Ho Chi Minh Branch (USD1 million, equivalent to VND22.24 billion), Maybank Labuan (USD9 million), Vietinbank Filiale Deutschland (USD15 million), The Shanghai & Savings Bank - Offshore Banking (USD3 million) and Chailease International Financial Service (USD2 million) for a term of 30 months. The borrowing in USD is bearing an interest of 3-month LIBOR plus a margin of 5.5% per annum and borrowing in Vietnamese Dong is bearing an interest of basic lending interest of Maybank – Ho Chi Minh Branch plus a margin of 3.04% per annum. These borrowings are secured by parking areas of three Sunrise City projects (South, Central, North) and two commercial blocks of Sunrise City South project.

(iii) These are borrowings in Vietnamese Dong under a credit facility of VND250,000,000,000 for a term of 12 months to finance working capital of the Company. Interest rates are being specified in each drawdown. As at 30 September 2018, the Group had the outstanding balance of VND226,342,014,763 which bears an interest rate from 7.1% to 7.6% per annum. These borrowings are secured by deposit contracts at the lender ensuring the total value of collateral assets over the outstanding balance, at all time, is 10%.

(iv) These are borrowings in Vietnamese Dong with a credit limit of VND3,400,000,000,000, which are due for repayment within forty-eight (48) months duration since the first drawdown on 3 August 2016. The interest rates of these borrowings are equal to basic interest rate plus a margin of 4% per annum. These borrowings are secured by the total value of assets formed in the future of Binh Khanh Project.

(v) These are borrowings in Vietnamese Dong with a credit limit of VND800,000,000,000, which are due for repayment within 36 months duration since the first drawdown on 28 September 2017. The interest rates of these borrowings are equal to basic interest rate plus a margin of 3.5% per annum. These borrowings are secured by the land use right and assets formed in the future of a Project in District 4, Ho Chi Minh City.

(vi) These are borrowings in Vietnamese Dong with a credit limit of VND760,000,000,000 for a term of 60 months since the drawdown on 27 December 2017. The interest is applied at a rate of the twelve-month saving deposits in Vietnamese Dong (paid in arrears) plus a margin of 4% per annum. These borrowings are secured by the land use right of a real estate in District 2, Ho Chi Minh City and the shares owned by the Company in a subsidiary.

(vii) These are borrowings in Vietnamese Dong with a credit limit VND200,000,000,000 for a period of thirty-six (36) months duration since the first drawdown on 22 August 2016. The interest rate of these borrowings is 11% per annum and adjusted every three (3) months. These borrowings are secured by shares of the Company owned by shareholders.

(viii) These are borrowings in Vietnamese Dong with a credit limit of VND385,000,000,000 for a term of 60 months since the drawdown date. Interest rate is 9.65% per annum for the first month and 10.5% per annum for the next two months, then adjusted every three (3) months at a rate of the thirteen-month saving deposits in Vietnamese Dong (paid in arrears) plus a margin of 3.69% per annum and not lower than current interest rate quoted at the time of adjustment (for loans with the same type and method). As at 30 September 2018, the Group had the outstanding balance of VND365,750,000,000 which bears an interest rate of 9.32% per annum. These borrowings are secured by a real estate in District 1, Ho Chi Minh City.

**24 BORROWINGS (continued)**

(ix) These are borrowings in Vietnamese Dong with the amount of VND2,000,000,000,000 for a term of forty eight (48) months since the first drawdown. As at 30 September 2018, the Group had outstanding balance of VND1,474,000,000,000. The interest rate is applied at the bank's highest rate of the twelve-month normal saving deposit to individuals plus a margin of 4.7% to 4.8% per annum. These borrowings are secured by the shares and contributed capital of the Group's subsidiary and associate, and the property rights arising from compensation for land clearance in District 2, Ho Chi Minh City.

(x) These are borrowings in Vietnamese Dong with a credit limit of VND232,000,000,000 for a term of 60 months and the grace period is 12 months since the drawdown date. The principal are paid on a three-month basis. Interest rate is 10.5% per annum for the first three-month period, and at a rate of the thirteen-month saving deposits from individuals in Vietnamese Dong (paid in arrears) plus a margin of 3.5% per annum from the fourth (4th) month onwards. These borrowings are secured by parking areas of Tropic 1 and Lexington project and a part of commercial blocks of three Sunrise City projects (South, Central, North).

(\*\*) Details for the balances of issued bonds are as follows:

	30/09/2018 VND	31/12/2017 VND
<b>(a) Short-term bonds issuance</b>		
<b>Bonds issued at discount</b>		
Techcom Securities Limited Company	-	450,000,000,000
<b>Bonds issued at par</b>		
Vietnam Technological and Commercial Joint Stock Bank (i)	1,500,000,000,000	-
Indovina Bank Limited (i)	1,050,000,000,000	-
Techcom Securities Limited Company (i)	750,000,000,000	-
Techcom Securities Limited Company (ii)	500,000,000,000	500,000,000,000
MB Securities Joint Stock Company (iii)	400,000,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch (iv)	365,000,000,000	275,000,000,000
IB Securities Limited Company (v)	200,000,000,000	-
VietinBank Insurance Joint Stock Company (vi)	100,000,000,000	-
VietinBank Gold & Jewellery Company Limited (vi)	100,000,000,000	-
Bao Viet Commercial Joint Stock Bank	-	300,000,000,000
Military Commercial Joint Stock Bank	-	250,000,000,000
Tien Phong Commercial Joint Stock Bank	-	125,000,000,000
	<u>4,965,000,000,000</u>	<u>1,900,000,000,000</u>
<b>(b) Long-term bonds issuance</b>		
<b>Bonds issued at par</b>		
The Bank of New York Mellon, London Branch (vii)	3,739,200,000,000	-
Military Commercial Joint Stock Bank (viii)	500,000,000,000	500,000,000,000
Military Commercial Joint Stock Bank (ix)	400,000,000,000	-
Bao Viet Group (x)	200,000,000,000	200,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch (iv)	221,000,000,000	441,000,000,000
Vietnam Technological and Commercial Joint Stock Bank (i)	-	1,500,000,000,000
Indovina Bank Limited (i)	-	1,050,000,000,000
Techcom Securities Limited Company (i)	-	750,000,000,000
Military Commercial Joint Stock Bank	-	750,000,000,000
Tien Phong Commercial Joint Stock Bank	-	375,000,000,000
	<u>5,060,200,000,000</u>	<u>5,566,000,000,000</u>

**24 BORROWINGS (continued)**

(i) Bonds issued at par value in Vietnamese Dong, include:

- Package of bonds with a par value of VND500,000,000,000, maturing in February 2019, bearing an interest rate of 10.9% per annum for the two (2) first interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. These bonds are secured by shares of the Company owned by shareholders. The initial buyer was Indovina Limited Bank.

- Package of bonds with a par value of VND1,800,000,000,000, maturing in March 2019, bearing an interest rate of 10.9% per annum for the first two (2) interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus a margin of 4.5% per annum. These bonds are secured by shares of the Company owned by shareholders. The initial buyers were Indovina Limited Bank, Vietnam Technology and Commercial Joint Stock Bank and Techcom Securities Company Limited with respective value of VND550,000,000,000, VND1,000,000,000,000 and VND250,000,000,000.

- Bonds issued at par value in Vietnamese Dong with total par value of VND1,000,000,000,000, maturing in August 2019 and bearing an interest of 10.9% per annum for the first two (02) interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. These bonds are secured by shares of the Company owned by shareholders. The initial bond buyers were Vietnam Technological and Commercial Joint Stock Bank and Techcom Securities Limited Company with respective value of VND500,000,000,000 and VND500,000,000,000.

(ii) Bonds issued at par value in Vietnamese Dong with a par value of VND500,000,000,000 to Techcom Securities Company Limited as the initial bonds buyer, maturing in December 2018, bearing an interest rate of 10.9% per annum for the two (2) first interest periods. The interest rate applied for the remaining period will be defined as a reference rate plus 4.5% per annum. The interest will be adjusted for every six (6) months from the issuance date to the maturity date. The reference rate is calculated by average of the interest rates offered for the twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) for the same period declared on 7th working day before the first day of the period by four (4) banks including: Bank for Investment and Development of Vietnam – Transaction Center 1, Joint Stock Commercial Bank for Foreign Trade of Vietnam – Transaction Center, Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi City Branch and Vietnam Bank for Agriculture and Rural Development – Transaction Center. These bonds are secured by shares of the Company owned by shareholders.

(iii) Bonds issued at par value of VND400,000,000,000 in Vietnamese Dong, maturing in February and May 2019, bearing an interest rate of 10.8% per annum. These bonds are secured by shares of the Company owned by shareholders.

(iv) Bonds issued at par value in Vietnamese Dong to Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch. Package of bonds with a par value of VND736,000,000,000, maturing in August 2020, bearing an interest rate of 10% per annum for the first three months. The interest rate will be adjusted for every three months at the interest rate of the twelve-month deposit from individuals (paid in arrears) in Vietnamese Dong plus a margin of 4.0% per annum. The reference rate is calculated by average of the interest rates offered for the twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) on the date of interest rate determination. As at 30 September 2018, the Company repurchased total VND130,000,000,000 of par value, the remaining balance of bonds is VND586,000,000,000. These bonds are secured by shares of the Company owned by shareholders, receivables relating to a Company's project, part of shares owned by the Company in subsidiary.

(v) Bonds issued at par value of VND200,000,000,000 in Vietnamese Dong, advised by IB Securities which will be matured in June 2019, bearing an interest rate of 10.6% per annum. These bonds are secured by shares of the Company owned by shareholders.

**24 BORROWINGS (continued)**

(vi) Bonds issued at par value of VND200,000,000,000 in Vietnamese Dong, advised by Vietinbank Securities which will be matured in July 2019, bearing an interest rate of 10.5% per annum. These bonds are secured by shares of the Company owned by shareholders.

(vii) These are 800 convertible bonds issued on 27 April 2018 ("Issue Date") at par value in USD to international investors which The Bank of New York Mellon - London Branch is trustee, Credit Suisse - Singapore Branch is arranger and issuance agents. The package of convertible bonds amounted of USD160,000,000 with a par value of USD200,000 per bond will mature on 27 April 2023 ("Maturity Date"), subject to a bond coupon interest of 5.5% per annum which will be repaid every 6 months and a redemption yield of 6.25% per annum which is calculated on a 6 month basis. These bonds are unsecured and could be converted into shares of No Va Land Investment Group Corporation (NVL) since the 41st day from the Issue Date until the 10th day before the Maturity Date. The initial conversion price is determined at VND74,750 VND per share, corresponding to the conversion rate of 60,931 shares per convertible bond and may be adjusted in the following cases: (1) Business events resulting in a change in the share value, and/or (2) adjustment corresponding to the decrease in NVL share price with an adjustment not exceeding 75% of the Initial Conversion Price, VND56,062.5 per share. The number of shares scheduled to be issued to convert the 800 Bonds is 48,744,800 shares, and may be changed depend on the Initial Conversion Price adjustment events.

(viii) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch include package of bonds with a par value of VND500,000,000,000, maturing in 2019, bearing an interest rate of 10.0% per annum for the first year period. The interest rate applied for the remaining period will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by the collateral assets including: development rights of Golden Mansion Project and shares of the Company owned by shareholders.

(ix) Bonds issued at par value in Vietnamese Dong to Military Joint Stock Commercial Bank – North Sai Gon Branch ("MB"). The package of bonds with a par value of VND400,000,000,000 have the last maturity in 2021, bearing an interest rate of 10.0% per annum for the first year period, then it will be defined as a reference rate plus 3.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade and Military Joint Stock Commercial Bank. These bonds are secured by shares of the Company owned by shareholders, the collateral assets including assets of The 21st Century International Development Company Limited relating to Lakeview City project, part of shares owned by the Company in subsidiaries.

(x) Bonds issued at par value in Vietnamese Dong to Bao Viet Group, maturing on 20 January 2020, bearing an interest rate of 10.4% per annum for the first interest period. The interest rate applied for the remaining period will be adjusted every twelve (12) months and defined as a reference rate plus 2.5% per annum. The reference rate is calculated by average of the interest rate offered for twelve-month deposits from individuals in Vietnamese Dong (paid in arrears) by Ho Chi Minh City branches of four (4) banks including: Bank for Investment and Development of Viet Nam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Vietnam Bank for Agriculture and Rural Development. These bonds are secured by shares of the Company owned by shareholders.

**24 BORROWINGS (continued)**

(\*\*\*) Details for the balances of third parties are as follows:

	30/09/2018 VND	31/12/2017 VND
<b>(a) Short-term borrowings</b>		
Nova Homes Trading Joint Stock Company (i)	2,558,853,175,817	3,340,306,773,026
Credit Suisse AG- Singapore Branch (ii)	286,225,500,000	-
Crane Investment .Ltd (ii)	144,837,000,000	-
Others (i)	101,650,000,000	108,000,000,000
	<u>3,091,565,675,817</u>	<u>3,448,306,773,026</u>
<b>(b) Long-term borrowings</b>		
Credit Suisse AG- Singapore Branch (ii)	1,621,944,500,000	750,255,000,000
Crane Investment .Ltd (ii)	820,743,000,000	954,870,000,000
GW Supernova Pte. Ltd. (iii)	1,168,500,000,000	1,136,750,000,000
	<u>3,611,187,500,000</u>	<u>2,841,875,000,000</u>

(i) These are borrowings in Vietnamese Dong, maturing in 4 to 5 months, bear interest at the rate from 4.5% to 11.0% per annum and are unsecured.

(ii) These are borrowings according to the loan agreement and appendix with the adjusted credit facility of USD125,000,000, which Credit Suisse AG, Singapore Branch is the facility agent and the guarantee agent. The loan duration is forty-two (42) months from the first date of drawdown, the principal is repayable every six (6) months from the eighteenth (18th) month since the first date of drawdown to maturity. Interest rate is defined as LIBOR rate plus a margin of 5.5% per annum and repayable every three (3) months. At maturity or early repayment or conversion, the Company would pay an additional amount to ensure that lender receives a target IRR of 13%. The borrowing is unsecured. As at 30 September 2018, these borrowings was disbursed fully by USD125 millions.

(iii) This borrowing is denominated in USD from GW Supernova Pte. Ltd., with a credit facility of USD50,000,000, maturing in thirty-six (36) months since the first drawdown in December 2016, including a portion of non-convertible borrowing amounting to USD20,000,000 and the other portion of convertible borrowing amounting to USD30,000,000. The principal is repaid at the maturity date. The borrowing bears an interest rate of 6% per annum and is repayable every six (6) months. At maturity or early repayment or conversion, the Company would pay an additional amount to ensure that lender receives a target IRR of 15%. The borrowing is unsecured. The lender may elect to convert the convertible borrowing component into shares of the Company at any time after ten (10) months since the first drawdown date or six (6) months since the conversion date of the borrowing from Credit Suisse AG, Singapore Branch (has already been converted on 28 June 2017), depending on which date comes first. As at 30 September 2018, the Board of Management of the Company estimated that the value of the convertible debt component was the same as the principal of the borrowing. Accordingly, there was no equity component recognised.

As at 30 September 2018, this borrowing was fully disbursed. In case the debt conversion option is exercised, the maximum shares to be converted will be 21,408,936 shares of the Company. As at the date of these consolidated financial statements, the loan was not converted.

**25 OWNERS' CAPITAL****(a) Number of shares**

	<b>30/09/2018</b>		<b>31/12/2017</b>	
	<b>Ordinary shares</b>	<b>Preference shares</b>	<b>Ordinary shares</b>	<b>Preference shares</b>
Number of shares registered	907,455,928	6,830,000	642,828,788	6,830,000
Number of shares issued	907,455,928	6,830,000	642,828,788	6,830,000
Number of existing shares in circulation	907,455,928	6,830,000	642,828,788	6,830,000

**(b) Movement of share capital**

	<b>Ordinary shares</b>	<b>Preference shares</b>	<b>Total</b>
As at 1 January 2017	589,369,234	6,830,000	596,199,234
New shares issued for converting debts	33,459,554	-	33,459,554
New shares issued for ESOP	20,000,000	-	20,000,000
As at 31 December 2017	642,828,788	6,830,000	649,658,788
New shares issued for ESOP	9,809,962	-	9,809,962
Bonus shares issued	202,317,178	-	202,317,178
Issuance of ordinary shares	52,500,000	-	52,500,000
As at 30 September 2018	907,455,928	6,830,000	914,285,928

Par value per share: VND10,000.



NO VA LAND INVESTMENT GROUP CORPORATION

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26 MOVEMENTS IN OWNERS' EQUITY

	Ordinary shares VND	Preference shares VND	Share premium VND	Post-tax Undistributed earnings VND	Total VND
As at 1 January 2017	5,893,692,340,000	68,300,000,000	2,174,026,445,400	952,449,830,514	9,088,468,615,914
Issuance of ordinary shares for converting debts	334,595,540,000	-	1,032,804,460,000	-	1,367,400,000,000
Issuance of ordinary shares for ESOP	200,000,000,000	-	-	-	200,000,000,000
Profit for the year	-	-	-	2,033,481,810,322	2,033,481,810,322
Dividends paid	-	-	-	(24,765,000,000)	(24,765,000,000)
Transferring the loss previously recognised in undistributed earnings	-	-	-	102,000,000,000	102,000,000,000
Change in ownership of subsidiaries	-	-	-	(155,948,534,184)	(155,948,534,184)
As at 31 December 2017	6,428,287,880,000	68,300,000,000	-	-	12,610,636,892,052
Issuance of ordinary shares for ESOP (i)	98,099,620,000	-	-	-	98,099,620,000
Bonus shares issued from share premium (ii)	2,023,171,780,000	-	(2,023,171,780,000)	-	-
Issuance of ordinary shares (iii)	525,000,000,000	-	2,793,725,115,626	-	3,318,725,115,626
Profit for the period	-	-	-	1,380,051,684,088	1,380,051,684,088
Change in ownership of subsidiaries	-	-	-	5,052,807,673	5,052,807,673
As at 30 September 2018	9,074,559,280,000	68,300,000,000	770,553,335,626	1,385,104,491,761	17,412,566,119,439

**26 MOVEMENTS IN OWNERS' EQUITY (continued)**

- (i) According to Annual Resolution No. 09/2017-NQ-NVLG on 27 April 2017, the General Meeting of Shareholders approved the issuance of Shares under the Employee Stock Ownership Plan ("ESOP") with the maximum number of 29,809,962 shares. In 2017, the Company completed the issue of 20,000,000 ordinary shares to employees. Besides, according to Decision No. 004/2018-QD.HDQT-NVLG dated 12 January 2018, the Board of Directors approved the issuance of the remaining shares of 9,809,962 to employees at par value of VND10,000 per share under the Resolution of the Annual General Meeting of Shareholders. As the issuing price is equal to par value of VND10,000 per share, total value of issued share was recorded as the share capital.
- (ii) According to the Resolution No.18/2018-QD-NVLG dated 1 March 2018, the Board of Directors has implemented a plan to issue shares to increase the share capital from share premium which was approved by the Annual General Meeting of Shareholders in 2017.
- (iii) According to the Resolution of the General Meeting of Shareholders No. 05/2018-NQ-NVLG dated 28 February 2018, Resolution No. 28/2018-QD-NVLG dated 9 April 2018 and Resolution No. 34/2018-CV-NVLG dated 23 April 2018, the Company has approved the issuance of shares to increase the share capital in accordance with the private placement plan of 2018 with the number of shares of 52,500,000 shares. The issuing price is VND64,837 per share and the total issuance cost is VND85,217,384,374, so the value of the issued shares is recorded as share capital and the share premium of VND525,000,000,000 and VND2,793,725,115,626 respectively.

**27 NON - CONTROLLING INTERESTS**

The non-controlling interests represent the holdings of the other shareholders for the value of the net assets and results of operations of the subsidiaries at period end.

	30/09/2018 VND	31/12/2017 VND
Details:		
Charter capital	805,476,009,673	500,423,132,544
Share premium	(20,938,381)	38,495.00
Other funds	19,725,110	19,705,357
Undistributed earnings	155,394,544,260	145,310,734,972
<b>Non-controlling interests</b>	<b>960,869,340,662</b>	<b>645,753,611,368</b>

**27 NON - CONTROLLING INTERESTS (continued)**

Movements in non-controlling interests are as below:

	For the period ended 30/09/2018 VND	For the year ended 31/12/2017 VND
Beginning of the period	645,753,611,368	958,421,521,157
Net profit allocated to non-controlling interest for the period	32,415,753,223	28,161,421,934
Increase due to acquisition and establishment of new subsidiaries	405,589,562,964	269,039,884,157
Decrease due to change in ownership of subsidiaries	(109,980,940,183)	(489,372,722,733)
Decrease due to divestment of subsidiaries	115,202	(77,096,396,147)
Decrease due to dividend received	(12,908,761,912)	(43,400,097,000)
End of the period	<u>960,869,340,662</u>	<u>645,753,611,368</u>

**28 EARNINGS PER SHARE****(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Group and held as treasury shares.

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Net profit attributable to shareholders (VND)	1,380,051,684,088	1,322,310,423,603
Dividend on preference shares (VND)	(15,367,500,000)	(15,367,500,000)
Profit calculation of basic earnings per share (VND)	<u>1,364,684,184,088</u>	<u>1,306,942,923,603</u>
Weighted average number of ordinary shares in issue (shares)	879,046,573	787,326,597
Mandatorily convertible shares (shares)	20,490,000	20,490,000
Weighted average number of ordinary shares including mandatorily convertible shares (shares)	<u>899,536,573</u>	<u>807,816,597</u>
Basic earnings per share (VND)	<u>1,517</u>	<u>1,618</u>

**(b) Diluted earnings per share**

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the period and the ordinary shares expected to be issued via conversion of other financial instruments into ordinary shares.

**28 EARNINGS PER SHARE (continued)****(b) Diluted earnings per share (continued)**

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Net profit attributable to shareholders (VND)	1,380,051,684,088	1,322,310,423,603
Dividend on preference shares (VND)	(15,367,500,000)	(15,367,500,000)
Adjustment (VND) (*)	-	-
Profit calculation of basic earnings per share (VND)	<u>1,364,684,184,088</u>	<u>1,306,942,923,603</u>
Weighted average number of ordinary shares	879,046,573	787,326,597
Mandatorily convertible shares (shares)	20,490,000	20,490,000
Potential shares (shares) (*)	-	-
Weighted average number of ordinary shares including potential shares (shares)	<u>899,536,573</u>	<u>807,816,597</u>
Diluted earnings per share (VND)	<u>1,517</u>	<u>1,618</u>

(\*) The Company considered each issue or series of potential ordinary shares in determining whether potential ordinary shares are dilutive. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

In the period ended 30 September 2018 and 30 September 2017, there were potential ordinary shares but they are not dilutive.

**29 OFF BALANCE SHEET ITEMS**

	30/09/2018	31/12/2017
Gold (tael of gold)	-	2.4
Foreign currencies (USD)	1,851,213	2,053,377

## 30 REVENUE

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
<b>Sales of goods and rendering of services</b>		
Sale of real estate	6,495,928,812,127	5,239,105,523,847
Rendering of services for corporate management, project development and sales consultancy	183,718,302,956	494,312,574,491
Sales from leasing properties	63,170,244,977	62,677,353,295
Others	43,865,770,697	17,408,840,392
	<u>6,786,683,130,757</u>	<u>5,813,504,292,025</u>
<b>Sales deductions</b>		
Trade discounts	(43,870,299,037)	(69,302,074,910)
Sale returns	(9,665,226,563)	(7,493,070,238)
	<u>(53,535,525,600)</u>	<u>(76,795,145,148)</u>
<b>Net revenue from sale of goods and rendering of services</b>		
Net sales of real estate	6,442,393,286,527	5,162,310,378,699
Net sales of rendering of services for corporate management, project development and sales consultancy	183,718,302,956	494,312,574,491
Net sales from leasing properties	63,170,244,977	62,677,353,295
Others	43,865,770,697	17,408,840,392
	<u>6,733,147,605,157</u>	<u>5,736,709,146,877</u>

## 31 COST OF SALES

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Cost of real estate sold	4,417,035,087,098	3,520,584,943,591
Cost of rendering of services for corporate management, project development and sales consultancy	150,677,874,794	485,131,588,545
Cost of leasing properties	39,377,652,509	58,303,769,244
Others	55,155,078,363	12,161,699,566
	<u>4,662,245,692,764</u>	<u>4,076,182,000,946</u>

**32 FINANCIAL INCOME**

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Revaluation investments at each business combination stage (*)	558,381,287,952	974,447,627,284
Interest income from deposits at banks	177,667,642,688	140,000,807,562
Interest income from co-operation contracts	67,820,619,208	25,118,225,000
Interest income from lending	62,188,714,824	204,669,029,634
Gain from divestment of subsidiaries	61,630,398,838	92,484,121,178
Interest income from late payment	59,479,284,043	-
Realized foreign exchange gains	1,387,817,921	48,546,455
Unrealised foreign exchange gains	222,108,844	2,190,953,276
Gain on bargain purchase	22,168,437	32,647,318
Others	757,990,844	2,786,554,325
	<u>989,558,033,599</u>	<u>1,441,778,512,032</u>

(\*) This is the revaluation of the initial investment of the Group in Sun City Real Estate Investment & Development Company Limited at the acquisition date.

**33 FINANCIAL EXPENSES**

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Interest expenses	1,023,632,028,876	767,028,589,845
Unrealized foreign exchange losses	177,237,786,942	898,287,851
Borrowings related costs	60,796,325,339	10,230,750,000
Cost of issuing bonds	50,243,139,840	35,437,000,977
Interest expenses on investment co-operation contracts	42,974,652,992	51,704,070,895
Payment discount	14,067,215,115	9,011,992,212
Realized foreign exchange losses	6,961,464,532	3,417,545,785
Loss on disposal of subsidiaries	-	789,770,893
Others	24,380,829,574	9,484,927,577
	<u>1,400,293,443,210</u>	<u>888,002,936,035</u>

**34 SHARE OF PROFIT FROM ASSOCIATES**

In the period ended 30 September 2018, share of profit from associates included VND1,039,930,267,217 which is the excess of the Group's share of the fair value of identifiable net asset over the cost of the investment in Thai Binh Real Estate Trading Joint Stock Company and Dat Viet Development Joint Stock Company at the investment date (Note 5(b)).

**35 SELLING EXPENSES**

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Staff costs	25,978,572,495	29,009,352,036
Material, package costs	80,825,801	105,049,458
Tool and supplies	684,557,561	659,685,926
Depreciation expense	1,316,086,865	458,466,601
Outside services expenses	94,611,491,555	44,983,659,308
Other cash expenses	102,710,013,602	51,163,604,648
	<u>225,381,547,879</u>	<u>126,379,817,977</u>

**36 GENERAL AND ADMINISTRATION EXPENSES**

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Staff costs	47,452,008,488	59,291,265,637
Tools and supplies	460,383,108	483,651,961
Stationery expenses	3,157,501,129	2,738,804,519
Depreciation expenses	10,082,830,578	4,522,456,312
Tax and other fees	5,368,958,839	3,605,934,977
Provision	1,683,129,415	(7,801,497,981)
Outside services expenses	116,772,850,531	57,980,243,930
Other cash expenses	49,699,174,978	40,589,086,140
Allocation of goodwill (Note 17)	262,739,185,236	338,559,994,383
	<u>497,416,022,302</u>	<u>499,969,939,878</u>

**37 OTHER INCOME**

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Collection of penalties on contract violation	16,159,769,605	7,555,346,293
Gains on disposal of tools and scrap	1,019,973,504	617,458,422
Gains on disposal of fixed assets	587,816,657	1,447,189,960
Others	5,227,431,373	5,291,670,355
	<u>22,994,991,139</u>	<u>14,911,665,030</u>

**38 OTHER EXPENSES**

	<b>For the period ended</b>	
	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>VND</b>	<b>VND</b>
Penalty expenses on contract violation	28,606,645,123	11,777,564,793
Loss on disposal of fixed assets	15,335,997,660	4,914,219,904
Others	1,656,108,447	5,715,021,802
	<u>45,598,751,230</u>	<u>22,406,806,499</u>

**39 BUSINESS INCOME TAX****(a) Deferred income tax**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Movement in deferred income tax is as follows:

	<b>For the period ended</b>	<b>For the period ended</b>
	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>VND</b>	<b>VND</b>
Deferred tax assets	115,783,534,333	66,869,015,901
Deferred tax liabilities	(1,659,990,918,872)	(1,477,768,084,442)
Beginning of the period	(1,544,207,384,539)	(1,410,899,068,541)
Income statement charge	(91,993,377,523)	222,062,504,387
Business combination during the period (*)	(418,006,009,789)	(472,755,157,954)
Disposal of subsidiaries	-	4,574,270,834
End of the period	<u>(2,054,206,771,851)</u>	<u>(1,657,017,451,274)</u>
In which:		
Deferred tax assets	99,612,388,926	59,823,662,179
Deferred tax liabilities	<u>(2,153,819,160,777)</u>	<u>(1,716,841,113,453)</u>

The deferred income tax assets and liabilities mainly arise from the temporary differences relating to unrealised profits from business combination.

The Group uses tax rate of 20% in year 2018 (2017: 20%) for determining deferred tax assets and deferred tax liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(\*) This is deferred tax liabilities incurred from business combination during the period (Note 3).



**39 BUSINESS INCOME TAX (continued)****(b) Business income tax expense**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	<b>For the period ended</b>	
	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>VND</b>	<b>VND</b>
Net accounting profit before tax	1,969,705,269,822	1,575,775,424,002
Tax calculated at a rate of 20%	393,941,053,964	315,155,084,800
Effect of:		
Allocation of goodwill	52,547,837,047	38,383,822,027
Expenses not deductible for tax purposes	2,708,268,291	1,650,453,714
Income not subject to tax	-	(2,660,187,482)
Tax loss utilisation	(11,090,814,178)	(21,348,900,638)
Temporary difference from previous years for which deferred tax asset was not recognized	-	(26,134,848)
Tax loss for which no deferred tax asset was recognised	327,202,883,729	154,674,267,557
Difference from share transfer of subsidiaries	(292,488,368)	(18,338,870,057)
Share of profit from associates	(210,988,019,462)	936,479,720
Gain on subsidiary acquisitions in the period	(4,433,687)	(6,529,464)
Adjustment of tax expense in previous years	3,213,545,175	13,543,170
Adjustment for merger of subsidiaries	-	(236,601,820,564)
<b>Business income tax charge (*)</b>	<b>557,237,832,511</b>	<b>231,831,207,935</b>
Charged/(credited) to income statement:		
Business income tax - current	465,244,454,988	453,893,712,322
Business income tax - deferred	91,993,377,523	(222,062,504,387)
	<b>557,237,832,511</b>	<b>231,831,207,935</b>

- (\*) The business income tax charge for the period is based on estimated taxable income including the elimination of the assessable income charge determined by the Group. The records has yet to be audited by the tax authorities.

## 40 COST OF OPERATION BY FACTOR

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Real estate development costs for selling	10,818,963,724,578	14,260,421,614,357
Labor costs	212,037,733,374	511,861,697,105
Outside services expenses	259,364,512,757	179,706,565,115
Depreciation expense and goodwill allocation	332,761,385,283	398,834,233,342
Other cash expenses	162,161,415,018	99,345,817,629
	<u>11,785,288,771,010</u>	<u>15,450,169,927,548</u>

## 41 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT

## (a) Non-cash transactions affect the cash flow statement:

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Bonus shares issued from share premium	2,023,171,780,000	-

## (b) Amount of borrowings actually withdrawn during the period

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Proceeds from borrowings following normal borrowing contracts	8,259,027,014,763	10,509,431,658,255
Issuing bonds	4,693,862,950,266	4,960,278,000,000

## (c) Amount of borrowings actually repaid during the period

	For the period ended	
	30/09/2018 VND	30/09/2017 VND
Repayments for borrowings following normal borrowing contracts	(8,965,569,804,829)	(10,473,801,391,906)
Repayments for bonds	(2,380,000,000,000)	(996,000,000,000)

**42 RELATED PARTY TRANSACTIONS**

During the period, the following transactions were carried out with related parties:

<b>Relationship</b>	<b>Name</b>
Associate	Sai Gon Electronics and Industrial Service Joint Stock Company
Associate	Ben Thanh Housing Service and Development Joint Stock Company
Associate	Thai Binh Real Estate Trading Joint Stock Company
Associate	Dat Viet Development Joint Stock Company
Associate	Thanh My Loi Joint Stock Company
Company owned by the shareholder	Diamond Properties Joint Stock Company

**(a) Related party transactions**

During the period, the following transactions were carried out with related parties:

	<b>For the period ended</b>	
	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>VND</b>	<b>VND</b>
<b>i) Sales of goods and services</b>		
Huy Minh Real Estate Joint Stock Company (*)	-	110,000,003
<b>ii) Purchase of services</b>		
Ben Thanh Housing Service and Development Joint Stock Company	56,337,039,833	18,939,165,316
<b>iii) Interest on lending</b>		
Sai Gon Electronics and Industrial Service Joint Stock Company	3,194,015,664	3,343,822,443
Thanh My Loi Joint Stock Company	120,328,768	-
	<u>3,314,344,432</u>	<u>3,343,822,443</u>
<b>iv) Interest on borrowings</b>		
Thai Binh Real Estate Trading Joint Stock Company	4,111,643,837	-
Huy Minh Real Estate Joint Stock Company (*)	-	322,993,125
	<u>4,111,643,837</u>	<u>322,993,125</u>
<b>v) Compensation of key management</b>		
Gross salaries and other benefits	<u>17,591,686,542</u>	<u>29,636,772,398</u>

(\*) During the period ended 30 September 2018, this company was not a related party of the Group.

## 42 RELATED PARTY TRANSACTIONS (continued)

## (b) Ending balances with related parties

	30/09/2018 VND	31/12/2017 VND
<b>i) Trade accounts receivable (Note 6)</b>		
Diamond Properties Joint Stock Company	40,024,130,644	40,024,130,644
Ben Thanh Housing Service and Development Joint Stock Company	105,285,781	159,103,170
	<u>40,129,416,425</u>	<u>40,183,233,814</u>
<b>ii) Short-term lending (Note 8(a))</b>		
Sai Gon Electronics and Industrial Service Joint Stock Company	7,520,000,000	43,420,000,000
Thanh My Loi Joint Stock Company	12,000,000,000	-
	<u>19,520,000,000</u>	<u>43,420,000,000</u>
<b>iii) Other short-term receivables (Note 9(a))</b>		
Ben Thanh Housing Service and Development Joint Stock Company	38,700,474,133	39,827,672,410
Thanh My Loi Joint Stock Company	47,744,290,111	-
Sai Gon Electronics and Industrial Service Joint Stock Company	26,524,866,328	23,907,772,634
	<u>112,969,630,572</u>	<u>63,735,445,044</u>
<b>iv) Other long-term receivables (Note 9(b))</b>		
Ben Thanh Housing Service and Development Joint Stock Company	5,667,539,055	1,398,776,000
<b>v) Short-term accrued expenses (Note 22)</b>		
Ben Thanh Housing Service and Development Joint Stock Company	-	124,900,350
Thai Binh Real Estate Trading Joint Stock Company	4,111,643,837	-
	<u>4,111,643,837</u>	<u>124,900,350</u>
<b>vi) Other short-term payables (Note 23(a))</b>		
Dat Viet Development Joint Stock Company	423,000,000,000	-
<b>vii) Short-term borrowings (Note 24(a))</b>		
Thai Binh Real Estate Trading Joint Stock Company	101,500,000,000	-

**43 COMMITMENTS UNDER OPERATING LEASES**

The future minimum lease payments under non-cancellable operating leases are as follows:

	30/09/2018 VND	31/12/2017 VND
Within one year	50,630,581,196	51,798,974,424
From one to five years	65,462,920,380	25,319,743,416
Over five years	261,961,895,238	-
	<u>378,055,396,814</u>	<u>77,118,717,840</u>

**44 CAPITAL COMMITMENTS**

Capital expenditure contracted for at the balance sheet date but not recognized in the consolidated financial statements is as follows:

	30/09/2018 VND	31/12/2017 VND
Construction cost of projects	<u>5,067,274,149,323</u>	<u>6,081,197,094,885</u>

**45 SEGMENT REPORTING**

*Business activity segments:*

As the Group's revenue and profit are mainly derived from the business activities of the real estate while other sources of revenue are not material as a whole, the Board of Management accordingly believes that the Group's real estate and supporting activities for real estate are in a sole business segment only.

*Geographical segments:*

The Group's activities are mainly segmented by domestic activities. The Group does not monitor its operation results, fixed assets, other non-current assets or non-cash major expenses by the geographical areas of customers.

**46 COMPARATIVE FIGURES**

Certain immaterial comparative figures have been reclassified to conform to the current period's presentation.

**47 EVENTS AFTER THE BALANCE SHEET DATE****(a) Additional capital contribution to Phong Dien Real Estate Investment Joint Stock Company ("Phong Dien")**

According to the Resolution No. 73/2018-NQ.HDQT-NVLG dated 24 October 2018, the Board of Directors approved the additional capital contribution to Phong Dien Real Estate Investment Joint Stock Company with the amount of VND46,000,000,000, equivalent to 4,600,000 shares. After completing the additional capital contribution, the Company will own 4,895,500 ordinary shares equivalent to total par value of VND48,955,000,000, accounting for 50.995% of charter capital of Phong Dien. As at the date of approval of these consolidated financial statements, the contribution of additional capital has been implemented.

**(b) Issuance of shares under Employees Stock Ownership Plan in 2018**

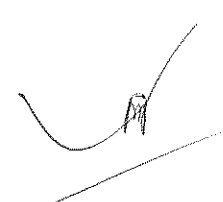
According to the Resolution No. 75/2018-NQ.HDQT-NVLG dated 24 October 2018, the Board of Directors approved the regulation and the implementation plan of the share issuance under the Employees Stock Ownership Plan in 2018. The issuance time is expected in the 4th quarter of 2018 with the total number of shares planned to be issued is 22,670,000 shares, which will be issued directly to employees of the Company and employees of the Company's subsidiaries at the price of VND10,000 per share. In particular, the number of unrestricted shares and restricted shares is 4,500,000 shares and 18,170,000 shares, respectively. As at the date of approval of these consolidated financial statements, the issuance of shares has not yet been implemented.

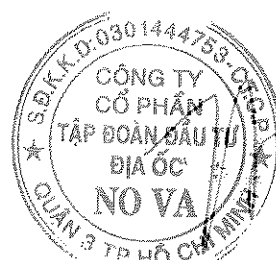
**(c) Issuance of ordinary share for conversion of the convertible preferred shares**

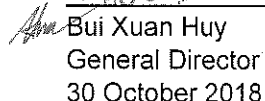
According to the Resolution No. 77/2018-NQ.HDQT-NVLG dated 24 October 2018, the Board of Directors approved the implementation plan of ordinary share issuance for conversion of the convertible preferred shares issued in 2015 which was approved by the Annual General Meeting of Shareholders in 2018. The issuance time is expected in the 4th quarter of 2018 with the total number of shares issued is 13,660,000 shares, the number of convertible preferred shares to be converted to ordinary shares is 6,830,000 shares. As at the date of approval of these consolidated financial statements, the issuance of shares has not yet been implemented.

The consolidated financial statements were approved by the Board of Management on 30 October 2018.

  
 \_\_\_\_\_  
 Nguyen Ngoc Bang  
 Preparer

  
 \_\_\_\_\_  
 Tran Thi Thanh Van  
 Chief Accountant



  
 \_\_\_\_\_  
 Bui Xuan Huy  
 General Director  
 30 October 2018